FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-95-014
Monday
23 January 1995

Daily Report
East Asia

FBIS-EAS-95-014 CONTENTS *23 January 1995*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-ASIAN AFFAIRS

- ASEAN Meeting Held on Intellectual Property *[ANTARA]* ... 1
- Three ASEAN Navy Chiefs Declare No Arms Race *[THE STRAITS TIMES 20 Jan]* ... 1

NORTHEAST ASIA

Japan

- Deregulation Plan Includes Only 310 New Offers *[MAINICHI SHIMBUN 19 Jan]* ... 2
- Government's Deregulatory Measures Criticized *[NIHON KEIZAI SHIMBUN 19 Jan]* ... 2
- Tokyo, U.S. Reconfirm 'Significance' of Treaty *[ASAHI SHIMBUN 20 Jan]* ... 3
- 'Dialogue' Reevaluates Japan-U.S. Alliance *[GAIKO FORUM Dec]* ... 3
- Yen 'Isolated' in World Exchange Market *[NIHON KEIZAI SHIMBUN 13 Jan]* ... 8
- Banker Views U.S., Japanese Economies, Ties *[TOKYO SHIMBUN 15 Jan]* ... 9
- MOFA 'Concerned' Over Yen Loans to Iran *[ASAHI SHIMBUN 22 Jan]* ... 10
- Murayama's Policy Speech Omits UNSC Seat Issue *[ASAHI SHIMBUN 21 Jan]* ... 11
- Tokyo's Quest for Permanent UNSC Seat Discussed *[SHUKAN DAIYAMONDO 31 Dec]* ... 12
- Sakigake Leader on Japan's Leadership, UN Reform *[RONZA 20 Dec]* ... 12
- Plans for 2.8 Percent Economic Growth Adopted *[KYODO]* ... 17
- Panel Asked To Advise on 1995-2000 Economic Plan *[MAINICHI SHIMBUN 20 Jan]* ... 18
- Tokyo Urged To Review Crisis Management System *[SANKEI SHIMBUN 19 Jan]* ... 18
- Opposition Criticizes Tokyo's Relief Efforts *[KYODO]* ... 19
  - NFP's Hata Comments *[MAINICHI SHIMBUN 23 Jan]* ... 20
- Vice Minister Admits Government's Slow Reponse *[Tokyo TV]* ... 20
- Government Plans To Improve Emergency Response *[KYODO]* ... 20
  - BOJ To Help With Quake-Hit Areas *[KYODO]* ... 20
- Quake Victims Not Protected by Insurance System *[KYODO]* ... 21
- Tokyo Cautious in Accepting Foreign Doctors *[KYODO]* ... 22
- NFP Proposes Delaying Debates To Deal With Quake *[KYODO]* ... 22
  - Murayama Rejects NFP Call *[KYODO]* ... 22
- Editorial Assesses Murayama's Policy Speech *[YOMIURI SHIMBUN 21 Jan]* ... 23
- Stronger Cabinet Not To Impede Decentralization *[KYODO]* ... 23
- * Yuriko Koike on Ozawa, Policy of New Party *[GENDAI Dec]* ... 24
- Journalist Calls For 'Dismantling' MOF *[EKONOMISUTO 3, 10 Jan]* ... 25

North Korea

- IAEA Delegation Arrives in Pyongyang for Talks *[Pyongyang Radio]* ... 28
  - KCNA Reports Delegates' Arrival ... 28
- Statement: Meeting With U.S. 'Constructive' *[KCNA]* ... 28
- Paper Urges U.S. To Replace Armistice Agreement *[KCNA]* ... 28
- U.S. 'Warmaniacs' Berated for Aerial Exercise *[KCNA]* ... 29
- Paper Demands Nuclear States Abide by NPT *[KCNA]* ... 29
- Meetings Protest ROK Nuclear Waste Dump Site *[KCNA]* ... 29
- Paper: Globalization To Lead to 'National Ruin' *[KCNA]* ... 30
- SKNDF Issues 'National Salvation' Appeal *[KCNA]* ... 30
- Dialogue Views ROK President, Military Leaders *[Pyongyang Radio]* ... 31
- ROK's Kim Chong-pil's Resignation Reported *[KCNA]* ... 32
- CPRF Body Denounces ROK University President *[KCNA]* ... 32
- Punishing 'Culprits' of 12 Dec 'Incident' Urged *[KCNA]* ... 32
- Treatment of Foreign Workers in ROK Denounced *[Pyongyang Radio]* ... 32
- Japan's 'Forum of Security Dialogue' Opposed *[KCNA]* ... 33
- Chongnyon Expresses Sympathy Over Earthquake *[KCNA]* ... 34
  - Launches Operation for Victims *[KCNA]* ... 34

- Kim Chong-il's Sympathy Message Conveyed to Japan *[KCNA]* 34
- Kim Chong-il's 'Famous Work' Studied Abroad *[KCNA]* 35
- Kim Chong-il Sends Autographic Letters to People *[KCNA]* 35
- Kim Chong-il Sends Thanks to Plants, Work Units *[Pyongyang Radio]* 36
- Kim Il-song, Kim Chong-il Leaflets Said in ROK *[KCNA]* 36
- International Meeting Pays Tribute to Kim Il-song *[KCNA]* 37
- Foreign Media Praising Kim Il-song Cited *[KCNA]* 37
- Anniversary of Kim Il-song's Journey Commemorated *[KCNA]* 37
  - National Meeting Marks Anniversary *[KCNA]* 38
  - Journey 'Historical Course' *[KCNA]* 38
  - Students Pay Respects to Statue *[KCNA]* 39
  - Middle School Students March *[KCNA]* 39
- Kanggye Power Station Workers Increase Production *[Pyongyang Radio]* 40
- Changsan Export Plant Resolves To Fulfill Goals *[Pyongyang Radio]* 40
- Iron, Steel Complexes Overfulfill Daily Plans *[Pyongyang Radio]* 41
- Spinning Plant Workers Increase Production *[Pyongyang Radio]* 41
- Public Ownership Solution to 'Rural Question' *[KCNA]* 42
- 'Superior' Public Health Care System Praised *[KCNA]* 42

South Korea

- Foreign Worker Employment System Considered *[YONHAP]* 43
- Reaction to U.S. Relaxing Sanctions on North 43
  - Foreign Ministry's Chang Reacts *[YONHAP]* 43
  - Assessed as 'Symbolic' Step *[YONHAP]* 43
  - Officials 'Concerned' About Move *[THE KOREA HERALD 22 Jan]* 45
  - DPRK UN Official Comments *[SEOUL SINMUN 22 Jan]* 45
  - Editorial on 'Prudent' Step *[HANGYORE SINMUN 22 Jan]* 45
  - Editorial on 'Direct Deals' *[CHOSON ILBO 22 Jan]* 46
- Researcher on Indirect North-U.S. Trade History *[YONHAP]* 47
- U.S. Joint Chief of Staff Head on Team Spirit *[YONHAP]* 47
- Defense Ministry Responds to U.S. Paper Article *[CHUNGANG ILBO 23 Jan]* 47
- North Mission Invited to U.S. by Billy Graham *[YONHAP]* 48
- Official Links N-S Relations to Reactor Project *[YONHAP]* 49
- Source: Jiang Invites Kim Chong-il to China *[HANGUK ILBO 21 Jan]* 49
- Qadhdhafi 'Bitterly' Denounces North Korea *[YONHAP]* 49
- Conference on Counterinfiltration Measures Held *[THE KOREA TIMES 22 Jan]* 49
- Interview With Russian Ambassador Reported *[THE KOREA TIMES 22 Jan]* 50
- Korean Victims of Japanese Earthquake Reach 88 *[YONHAP]* 52
- Relief Supplies Planned for Japan Quake Victims *[YONHAP]* 52
- Kim Chong-pil Said Moving To Organize Group *[YONHAP]* 52
- President Expresses Opinion on Kim Chong-pil *[YONHAP]* 53
- Kim Chong-pil Departs for U.S. Tour 21 Jan *[YONHAP]* 53
  - Speaks at Reception Upon Arrival *[YONHAP]* 53
- Committee for Promotion of Globalization Created *[THE KOREA HERALD 22 Jan]* 54
- Agencies Differ Over Policy on Conglomerates *[THE KOREA HERALD 22 Jan]* 54
- No 'Exceptions' to Real-Name Land System Plan *[THE KOREA TIMES 22 Jan]* 55
- 1994 Tourism Balance Shows $230 Million Deficit *[YONHAP]* 56

SOUTHEAST ASIA

Burma

- Aung San Suu Kyi's 'Message to the World' *[AFP]* 57
- Rangoon Stalls PRC on Request To Lease Island *[NIHON KEIZAI SHIMBUN 20 Jan]* 57

Brunei, Malaysia & Singapore

Malaysia

- Mahathir Urges Resisting Idea of PRC 'Threat' *[Kuala Lumpur International]* 57
- Trade Minister Meets With Pakistani Counterpart *[Kuala Lumpur TV]* 58
- Trade Minister Reviews Foreign Investment Goal *[THE STAR 21 Jan]* 58

Singapore

Increased Cooperation With Malaysia Endorsed *[BUSINESS TIMES 20 Jan]* 59
Navy Chief Outlines Maritime Defense Policy *[THE STRAITS TIMES 20 Jan]* 59

Cambodia

Thai 'Source' on Fighting in Preah Vihear *[AFP]* 60
KR Deny Village Taken by Government Troops *[Radio PGNUNS]* 60
Khmer Rouge Urge 'Genuine National Reconciliation' *[Radio PGNUNS]* 61

Indonesia

'Source' on Suharto's Plans for Army Hierarchy *[AFP]* 61
  Military Reshuffle 'Imminent' *[GATRA 21 Jan]* 62
Editorial Views Need for IPR Protection *[SUARA KARYA 20 Jan]* 63
* Government Direction of Auto Industry Urged *[BISNIS INDONESIA 10 Dec]* 63
* Indonesia Cited as Desirable for Investments *[BISNIS INDONESIA 28 Nov]* 64

Laos

President Meets With Cambodian Foreign Minister *[Vientiane Radio]* 65
Ministry Group, Cambodians Meet on Agriculture *[Vientiane Radio]* 66
PRC Army Delegation Visits Oudomsai 1 Jan *[VIENTIANE TIMES 13-19 Jan]* 66

Philippines

Garcia Confident in Revision of U.S. Air Accord *[Quezon City Radio]* 66
Ramos Meets With Singapore Defense Minister *[Quezon City TV]* 66
Germany Commits P2.9 Billion in Development Aid *[MANILA BULLETIN 19 Jan]* 67
Outstanding Public Debt Increases 14.5 Percent *[BUSINESS WORLD 19 Jan]* 67

Thailand

Finnish President Arrives on Three-Day Visit 68
  Holds Meeting With Chuan *[Bangkok Radio]* 68
  'Full' Delegations Meet 23 Jan *[Bangkok Radio]* 68
Thaksin Assures Burma of No Aid to Ethnic Leaders *[THE NATION 21 Jan]* 69
  Thaksin's Visit to Burma Viewed *[Bangkok Radio]* 69
Burmese Students To Be Discussed With UNHCR *[BANGKOK POST 21 Jan]* 70
Burmese Leaders Permit Studies on Hydropower *[THE NATION 21 Jan]* 71
* Wimon, Press on Khmer Rouge Timber Trade 71
  * Firms Work in Khmer Rouge Zones *[THAN SETTHAKIT 1-3 Dec]* 71
  * Wimon: Can't Close Border *[SIAM RAT 20 Nov]* 72
  * Columnist on Working With Khmer Rouge *[NAEO NA 27 Nov]* 73
Chinnawat Protests PRC Satellite Position Plan *[BANGKOK POST 20 Jan]* 73

Vietnam

Japanese Overseas Aid Delegation on Visit 74
  Received by Do Muoi *[VNA]* 74
  Meets With Vo Van Kiet *[VNA]* 74
  Commentary Views Japanese Aid *[Hanoi International]* 75
Joint Working Group on PRC-SRV Border Meets *[VNA]* 75
Le Duc Anh Receives Luxembourg Prince 20 Jan *[VNA]* 75
Deputy Prime Minister Leaves for Netherlands *[VNA]* 75
  Joint Economic Cooperation Reviewed *[Hanoi International]* 76
Magazine Suspended for Article About Firecrackers *[Hanoi Radio]* 76

ASEAN Meeting Held on Intellectual Property

BK1801152895 Jakarta ANTARA in Indonesian 0858 GMT 18 Jan 95

[FBIS Translated Excerpt] Jakarta, 18 Jan (ANTARA)—Minister of Justice Utoyo Usman said in the 1970's Indonesia used to known as the heaven for trademark piracy. But now, Indonesia's trademarks are being copied overseas.

"Since Indonesia has become a well-known garment producing country and having a complete set of laws on the intellectual rights, national trademarks should be protected from copyright violations, " he said in Jakarta on Wednesday.

Answering questions from journalists after opening the WIPO-ASEAN Regional Round Table [preceding five words in English] meeting today, he said the case of Indonesian trademark copyright violations is under legal process now. The meeting was attended by the WIPO [World Intellectual Property Organization] director general, Dr. Arpad Bogsch.

"There were several cases of copyright violations being reported and we are monitoring the activities of several Indonesian trademarks copied by manufacturers overseas," he said.

Other than the trademarks piracy, the minister also stressed the need to be alert for piracy of other intellectual rights, such as copyrights and patents.

"In effort to boost international trade and investment, we have to prevent copyright violations not only on goods but other services as well," Utoyo said.

The minister refused to cite the Indonesian trademarks that had been copied overseas, and the country that did it.

"The trademarks that had been copied are mostly that of several garment labels, I am not going to mention which country copied them. It is enough to say that they are foreign countries, " he said. [passage omitted]

Three ASEAN Navy Chiefs Declare No Arms Race

BK2001150195 Singapore THE STRAITS TIMES in English 20 Jan 95 p 25

[Report by Ismail Kassim in Kuala Lumpur]

[FBIS Transcribed Text] Navy chiefs from three Asean countries yesterday were in agreement that there was no arms race among their navies, and that they were not competing with each other when they acquired assets.

Aside from beefing up their naval strength, such purchases contributed towards regional stability, they said.

All three were responding to a question by Dr B.A. Hamzah, the director of the Malaysian Institute of Maritime Affairs [MIMA], at a MIMA forum in which Singapore Navy Chief Rear-Admiral Kwek Siew Jin outlined the Republic's maritime defence policy.

He said Singapore saw the acquisitions of naval hardware as a good way of increasing regional resilience.

"If we are capable of doing our jobs, the region will be better placed to deter threats from coming in," he added.

Malaysian Navy Chief Vice-Admiral Tan Sri Shariff Ishak said that even if there was a build-up, it would be good for the region. "To me, it is an enhancing exercise for the defence of the region," he said.

Both Adm Kwek and Adm Shariff agreed that the defence of Singapore and Malaysia was still indivisible. Thai Navy Chief Admiral Prachet Siridet agreed with what they said.

And expanding the current bilateral Asean exercises multilaterally was not a problem for Singapore, said Adm Kwek, but he added that the change towards a multilateral exercise should be made only when everyone was comfortable.

Adm Shariff said that he was confident that multilateral exercises among Asean countries would take place in future.

For the moment, he said, the emphasis was on expanding the bilateral exercises from single service to multiservice involving land, sea and air forces.

Referring to a coming Australian naval exercise in Darwin in March, he said navies from Singapore, Malaysia, Thailand and Indonesia had agreed to take part.

Japan

Deregulation Plan Includes Only 310 New Offers

OW2101034195 Tokyo MAINICHI SHIMBUN in Japanese 19 Jan 95 Morning Edition p 8

[FBIS Translated Text] On 18 January, the government unveiled a draft package of deregulation plans prepared by ministries and agencies which will be incorporated in the government's "five-year deregulation program." In preparation for the five-year program, which should be completed by the end of March, the draft package includes such new policies as an extension of inspection validity for vehicles over 10 years old. However, the draft package looks poor in substance compared with the demands from the business sector and the United States. The government is likely to be urged to take further steps before compiling the final draft of the five-year program.

In addition to extended car inspection terms, the draft package newly proposes such deregulation measures as decontrols on new stock listings, the relaxation of restrictions dividing the life and nonlife insurance sectors, and the removal of a ban on catering services for hospitals.

The package includes a number of previously announced policies, such as an expansion of business areas for commercial trucks. On the other hand, the draft package did not adopt the coalition parties' proposals for a revision of the Large-Scale Retail Stores Law and for lifting a ban on self-service gas stations, instead classifying these as "middle-range objectives."

The five-year deregulation program will be implemented from FY 1995 to 1999, and the draft package consists of 500 deregulation proposals. However, only about 310 of the 500 proposals are offered as new steps, and the remaining 190 are policies previously announced without implementation dates.

Government's Deregulatory Measures Criticized

OW2201031495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Jan 95 Morning Edition p 2

[Editorial: "We Need Radical Deregulatory Measures"]

[FBIS Translated Text] The Murayama cabinet has announced that it will draw up a "five-year program" on deregulation by the end of March. However, the present situation does not call for optimism.

Some members of the government's Deregulation Council are beginning to say, "The Murayama cabinet seems to take a positive attitude toward a review of regulations, but actually, half of this may be just for show." This is because although the council started with a private sector-led orientation, the bureaucrats, who assert the importance of regulations, are the ones who have actual control over the daily operations of the council.

While there have been a total of 6,000 demands for deregulation from the Japanese people and from foreign countries, the ministries and agencies concerned take the position of explaining the regulations and appealing for the need for such regulations before the council. "The council is not involved at all in the process by which the ministries and agencies select the regulations [to be abolished or relaxed]" (according to council member Haruo Shimada). It is feared that substantive deliberations may not actually be held by the council.

Before Prime Minister Tomiichi Murayama's recent meeting with U.S. President Bill Clinton, he ordered all bureaucrats to review the regulations under their jurisdiction.

This includes deregulatory measures relating to imports and distribution based on the Uruguay Round agreement, and it covers six areas—agriculture, import procedures, distribution, energy, financial services and securities, and telecommunications—particularly the simplification of import procedures for construction materials and electrical products.

However, looking at recent trends in deregulation, the bureaucrats seem to hold the initiative in the whole effort, and there seems to be no clear vision on deregulation. If something is not done about this situation, the program may end up paying only lip service to deregulation, and the bureaucrats may get away with implementing only superficial measures.

The "five-year program" to be formulated by the incumbent cabinet will be an important blueprint which will have a great impact on the social and economic structure of Japan as it enters the 21st century. We have to understand that deregulation is indispensable for the implementation of political, administrative, and economic reforms.

It has already been fully argued that deregulation will help narrow the price gap between Japan and foreign countries, eliminate foreign economic frictions, and raise the people's standard of living. In the mid-term, it will promote free competition and create new business opportunities. Particularly with regard to economic regulations, based on the thinking that the economy should be "free in principle, and regulated only in exceptional cases," it is hoped that regulations aimed at adjusting demand and supply will be abolished as soon as possible.

If the government fails to come up with a "five-year program" based on the above thinking and to outline a course for the government and private sector to implement deregulation, the Japanese system will be increasingly ineffectual.

Restructuring comes with some pain, but "true prosperity" can never be achieved by maintaining the status quo. Now is the time to promote truly radical deregulatory measures, while also giving consideration to adjusting business diversification and employment.

The Deregulation Council need not pay attention to the tendency of the ministries and agencies to imitate each other in their review of regulations. The Murayama cabinet should come up with truly consequential deregulatory measures stressing the qualitative aspect, which Japan really needs for the future.

Tokyo, U.S. Reconfirm 'Significance' of Treaty

OW2101034095 Tokyo ASAHI SHIMBUN in Japanese 20 Jan 95 Morning Edition p 2

[FBIS Translated Text] Japan and the United States held a working-level meeting in Tokyo on 18 and 19 January to discuss the present situation surrounding, and problems concerning, the bilateral security system. While reconfirming the significance of the bilateral security treaty in the post-Cold War era, the two countries agreed on the need for further efforts to win their citizens' understanding.

Some participants said that although there are still factors of uncertainty in the international community surrounding the two countries in the post-Cold War era, the two governments must deal with the security issue in considering the fact that people's view of the international community has changed.

'Dialogue' Reevaluates Japan-U.S. Alliance

OW2101135295 Tokyo GAIKO FORUM in Japanese Dec 94 pp 16-25

["Dialogue" between Shinichi Kitaoka, Rikkyo University professor, and Toshiyuki Takano, councilor of the Foreign Ministry North American Affairs Bureau, moderated by unidentified GAIKO FORUM reporter on 31 October 1994; place not given]

[FBIS Translated Text]

Security Environment Concerning Japan—Significance of Japan-U.S. Security Treaty System

[GAIKO FORUM] Due to the Soviet Union's dissolution, fundamentals seem to have clearly changed after the Cold War from when there used to be a Sino-Soviet alliance. We would like you to reevaluate the Japan-U.S. relationship in this context.

[Kitaoka] The SDPJ [Social Democratic Party of Japan] has come to support maintaining the Japan-U.S. Security Treaty, and there is no longer a major force strongly opposing the treaty. On the other hand, it seems to me that recognition for the treaty's necessity has become vague. Alliance is very important not only in terms of its meaning in the context of real power balance but also in terms of its mental aspect, which brings a sense of unity. I regard the Japan-U.S. Security Treaty as a treaty of alliance that is based on a fundamental agreement and the basic value to defend freedom. Therefore, reevaluating its significance is extremely important.

First, in Northeast Asia, there are Russia's situation and the possibility of nuclear proliferation. While Russia's break up is undesirable, there is a chance that Russia could resurge as a military power if its former states reunify. Also, speaking of North Korea's (Democratic People's Republic of Korea) future, a severe situation will last there for a very long time. With respect to China, there will be confusion if it does not develop and it breaks down. Conversely, if it keeps a steady growth, issues such as the modernization of its existing military and the continuation of nuclear experiments will arise.

In other words, we cannot say that the military balance in Northeast Asia is going in an optimistic direction. Therefore, considering the security treaty's practicality, I think a situation in which the treaty is immediately terminated or weakened is not desirable.

[Takano] I guess now is the time to seriously discuss how to reaffirm the significance of the Japan-U.S. security relationship in the wake of the Soviet Union's collapse. In the States, a "bottoms-up review," which outlined the U.S. defense policy from the end of the Cold War to the end of this century, was announced in September last year. In addition, a revised plan for its nuclear policy was released in September this year. In Japan, the prime minister's forum on defense issues made a report this summer. While the security issue is being discussed in both countries, there is a common recognition about the Japan-U.S. security system's importance and U.S. commitment to its allies, including Japan.

I think there are three aspects to why the Japan-U.S. security system and Japan-U.S. alliance are still important. First, as mentioned before, the conditions, including the state of domestic affairs, of major military powers in the Asia-Pacific region is unclear. Although Russia's military capability is said to have decreased, its size is not something that Japan can cope with alone. The Japan-U.S. security system still plays a big role in compensating for the weakness of Japan's defense capability. Second, beside this original role, the Japan-U.S. security system makes an important contribution to peace and stability in the Asia-Pacific region. There are many seeds for potential disputes in this area. The fact that the mobile U.S. forces are present, which is based on the Japan-U.S. Security Treaty, contributes to regional stability. We need to fully recognize this positive aspect of the security system. Without the treaty, the deployment of U.S. forces in the Asia-Pacific region is impossible and the U.S. troops would have to return to Hawaii and the mainland, according to the U.S. Third, despite the serious economic and trade issues between Japan and the United States, the Japan-U.S. security system serves as a strong political basis for resolving bilateral and global issues.

Is Multilateral Security Possible in the Asian-Pacific Region?

[GAIKO FORUM] There is a question of why the alliance should be bilateral.

[Kitaoka] I referred to the mental basis of an alliance a little while ago. In fact, to some extent, Japan had respect and sympathy with the British political system during the Anglo-Japanese alliance era. In addition, although the decision to remain in or withdraw from the League of Nations seemed not to be a major issue in 1933, the League served as a moral basis committed to universal principles, and Japanese foreign policy lacked such a basis after it pulled out of the League, and ended up running wild in Asia.

Likewise, I think the common moral basis and political principles that an alliance can provide are extremely important. An alliance between countries that have completely different systems and only a power relationship will not last a long time. While there are differences between Japan and the United States, both nations have been under the same system in terms of pursuing political and economic freedom.

[Kitaoka] As a matter of fact, Japan was the only Asian country able to have such a relationship with the United States. In Europe, there were many countries that held the same value and they formed NATO; in Asia, Japan was the only one and so the bilateral alliance emerged.

Second, if a multinational alliance is organized in Asia, the alliance is not likely to last a long time considering the imbalance of political and economic values and military power between countries with nuclear weapons, such as China and Russia, and nonnuclear nations. In the current international community, strong ties between affluent and free countries like Japan and the United States are not a threat to other countries in any way. They rather contribute to the region's stability, and I think this is very favorable.

[Takano] I think there are no actual conditions for realizing a multilateral security organization in Asia. A regional security organization will not function without the assumption that its principle members will not be participants in the dispute themselves, and there is a trustworthy commitment to maintain peace and stability in the region as a whole. Unfortunately, the current international situation has not reached this point. Suppose a regional security organization is established; from the U.S. perspective, its relationship with Japan would be equal to that with China and other Asian countries, which would create a very unstable situation for Japan.

Japan and the United States have built such a huge relationship in terms of politics, economy, scientific technology, and other areas after the war. Both nations wish to keep enjoying the great benefits that this relationship brings them. To maintain the basics of Japan's defense policy that Japan will not become a military power, keeping the alliance with the States is the realistic and natural choice.

[Kitaoka] However, I think it is all right to have a regional security system if it will be a separate entity, like the CSCE (Conference on Security and Cooperation in Europe), not replacing the Japan-U.S. Security Treaty.

In Europe's case, the CSCE was established centering on the approval of borders after World War II, and has succeeded in confidence-building. Countries make clear that they have no intention of invading by showing their hand to each other and notifying the content of each military exercise before it is staged. Besides Japan, there are only one or two other Asian countries that publish something like a white book on defense. So nations can publish such a book and disclose to each other the size and location of their military exercises, not to mention nuclear experiments. I think the application of this CSCE formula to Asia is a good idea, and it can be maintained side by side with the existing security treaty.

[Takano] Of course, efforts to promote a multilateral dialogue should be carried on. I think the ASEAN Regional Forum (ARF), established this summer, will be able to play such a role. Japan has made an effort to organize the forum; it was then Foreign Minister Taro Nakayama who proposed starting an Asia-Pacific security dialogue in 1991. In the beginning, the United Sates was not overly positive about this kind of multilateral dialogue. Japan actively worked on the United States and relaxed its wariness by explaining the need for a forum to build confidence in the region, which, I think, led to the ARF's establishment. Regarding a military security organization such as the Japan-U.S. Security Treaty as the wheels, efforts such as increasing transparency, promoting mutual understanding, and utilizing preventive diplomacy can be considered other significant wheels on a different dimension.

Is Asia-Pacific Conceivable "Without the United States?"

[GAIKO FORUM] Recently, there has been a very rough discussion among Japanese mass media and public opinion that if the United States is no good, Japan can still turn to Asia. For example, some say the United States has no future because the dollar will become wastepaper, and they talk about prospering Asia as the "Greater East Asia Co-'Yen' Sphere." What do you think about the discussion, which is based on Asia's economic dynamism, that Asia should be on its own, excluding the United States? Also, what do you think about the opinion that the United States forces its policies on Japan?

[Takano] I think it is impossible for Japan to have a connection only with the States or only with Asia, considering its world position. The Asia-Pacific region's recent dynamic economic growth is surely phenomenal, and the increase in trade and investment within the region is also remarkable. On the other hand, the U.S. role as the export market for Asia is still large. In 1993, the United States constituted 22 percent of the export market for East Asia, while Japan constituted only 12 percent. For East Asia as a whole, its growth is the result of an economic market that is global, free, and multilateral, and we can say there is no necessity to consider an economic system that excludes the United States from the region.

It is true that there is a move to form a forum of Asian nations alone. The United States is against this because Asia is trying to isolate itself while there is a valuable move toward open regionalism, such as APEC (Asia-Pacific Economic Cooperation). In addition, the U.S. military presence is necessary for Asia, and most Asian nations want such a presence in the sense that they want to maintain a certain military presence in the region. The United States wants to participate not only militarily but also politically and economically in Asia. In spite of this, from the U.S. perspective, there is a move to exclude the States, and there is a situation in which Asia does not necessarily share the same views with the United States on issues such as human rights and democracy.

The United States sacrificed 50,000 young lives in two wars (the Korean and Vietnam wars) for the defense of Asia after World War II. Also, the United States feels that it has provided a big market, technology, and funds for Asia's development.

From Japan's perspective, its relationship with the United States is the axis while it intends to attach greater importance to its relationship with Asia. Close cooperative ties between Japan and the United States have been established so far, at least on policies concerning the Asia-Pacific region. Recently, the North Korean issue is a typical example. The two countries also keep close contact with each other on the issues of China, Vietnam, and Cambodia. Peace and stability in the Asia-Pacific region cannot be realized in the true sense of the terms without close cooperation between Japan and the United States.

[Kitaoka] For instance, Malaysian Prime Minister Mahathir Mohamad thinks the expansion of European and North American markets is necessary for Southeast Asian nations to continue to grow, and especially, he wants Japan to expand its markets further. I suppose Mr. Mahathir wants Japan to speak actively as Asia's representative so that the Western countries will not form a bloc and exclude Asia's rising nations. In other words, Mr. Mahathir's intention in proposing Asian cooperation is to prevent the world from turning into blocs, and to maintain globalness. Also, on the security issue, he says Asia should commit itself to global issues, and Japan should do so as a matter of course. In this respect, his opinion is very different from that of Japan's Asianists.

I think close cooperation between Asian nations for a global goal is a very good thing, too. Therefore, I think Asian countries' attempts to further develop their relationship within the region do not conflict with their attempts to strengthen their relationships with nations outside the region.

In addition, Indonesia is in Asia, and depending on one's point of view, Australia too can be regarded as a part of Asia. In these countries, repulsion of the United States is not as strong as Mr. Mahathir's. Anti-Americanism among Asian nations is a repulsion of the fact that the United States categorically forces its way on them, but there does not seem to be much opposition to the content itself. Therefore, an argument that misunderstands this point is wrong.

Furthermore, while there is an opinion that Japan is always at the United States' beck and call, there is a voice to the contrary in the States that only Japan has benefited from their relationship. However, you cannot necessarily say that Japan alone has benefited from the relationship nor that Japan does whatever the States says. When a problem arises, the United States makes a comment even though it is not completely ready, while Japan speaks only after thorough preparation, which is why the United States appears to be pressing its policies on Japan all the time. However, I can tell you from my experience in studying diplomatic history that Japan has not always been under the U.S. thumb.

[Takano] In the passage of time from the war's end, occupation, and peace treaty, to the former security treaty, the Japan-U.S. Security Treaty has been associated with an image that it was imposed on Japan. While this must have led to the argument that the United States attaches strategic significance to Japan, I think, under current circumstances, the time has come for Japan to change its passive attitude toward the security treaty and to utilize it actively for Japan's interests.

Although it is often said that Japan and the United States should have a long-term vision, there are various ways of having such a vision. For example, the two countries can cooperate on global issues such as the environment, population, or drugs. The immediate task for Japan and the United States is to think of how to maintain the peace and prosperity of Asia-Pacific region, which continues to grow dynamically. Thinking about the security treaty's role in this context will lead to a new vision on the treaty.

Japan-U.S. Bilateralism in U.S.-North Korean Negotiations

[GAIKO FORUM] The United States is often said to start negotiations over Japan's head. How about the recent U.S.-North Korea talks?

[Takano] We can say that there was a very close relationship among Japan, the United States, and South Korea in the process leading to the recent U.S.-North Korea accord. For the States, the U.S.-North Korea talks was not bilateral. Rather, the United States was negotiating with North Korea on behalf of the international community because North Korea wanted it to be so. So these negotiations were carried on in a manner in which South Korea and Japan, which are most interested in the issue, exchanged opinions with the United States.

Is there an example in which a Japanese request, which the United States did not necessarily like, was granted?

[Takano] After North Korea withdrew from the NPT (Nuclear Nonproliferation Treaty) in March last year, an argument emerged in the States in favor of immediately imposing sanctions. At that time, the Governments of Japan, the United States, and South Korea had a close discussion, and decided to work in concert. In the meantime, there was a clear signal that North Korea wanted to talk with the States, and for that reason, the United States—answering the expectations of the international community, including Japan and South Korea—entered into negotiations with North Korea.

Although there are some differences in approach, Japan and the United States basically agree on the strategic goal to promote peace and stability on the Korean Peninsula and to denuclearize it. I think there are many opinions about what is the best solution to achieving this goal.

[Kitaoka] While Japan and the States' interests in this issue are the same in the long run, there are differences in the short term. The United States wants to keep the NPT. For Japan, the issue is an urgent security problem in the real world. The issue's settlement was future-oriented—not questioning the past much, or postponing to do so—and more favorable to the United States. In that respect, there must be criticism that after all the issue was resolved in the States' favor. However, I guess there were not many alternatives other than that.

[Takano] North Korea's nuclear issue actually originated from a problem of the past: the amount of plutonium North Korea reported to the IAEA (International Atomic Energy Association) in the past was different from the amount actually measured at an inspection. Since Japan was most concerned with North Korea's actual stage of nuclear development, it requested the United States to properly deal with this issue, and the result is the recent agreement.

Viewing the Japan-U.S. Relationship From a Tripolar Perspective—What Should Japan Do?

[GAIKO FORUM] There is a discussion that, in some cases, the issues between Japan and the United States should not be discussed just between the two countries, that Europe should also be included in the scope of the discussion. That is, the tripolar structure of Japan, the United States, and Europe.

[Kitaoka] To be global means to be based on principles, but among those who advocate Asianism, there are many who do not express global goals or principles though they speak about regional matters. So, I think it is important to have a global perspective while we promote regional exchange, and this is true when we think about the issue of whether Japan should assume a principal role by becoming a permanent member of the UN Security Council. Going through Europe is one way to persuade the United States, and as a matter of fact, the technical issue of currency is an example of such a method. On the other hand, Japan and the United States may join together to persuade Europe. A move to create a global approach—the WTO (World Trade Organization), for example—to deal with various issues is making progress. Although there are many cases in which a bilateral relationship is important, there is no doubt about the significance of worldwide cooperation founded on a global viewpoint and some kind of principle.

[Takano] In the United States and Europe, the issues of NATO's expansion and the PFP (Partnership For Peace) have been much debated in relation with Russia and Eastern Europe. What is the significance of these issues to the Asia-Pacific region? I think they are important to Japan's security too. In the eighties, with regard to the INF (U.S.-Soviet intermediate-range nuclear force) issue, Japan dealt with it asserting that European- and Asian-front security are inseparable. In terms of economic negotiations, European nations also have expressed strong concern about the way the United States coped with Japan—numerical targets and managed trade, for example—at the Japan-U.S. framework trade talks. In this sense, there is actually an aspect of the bilateral relationship that could not be discussed by Japan and the United States alone.

[GAIKO FORUM] Then comes the question of what will Japan do? As an alternative to the Japan-U.S. relationship and the existing security system, is it not possible for an argument to arise that Japan should go on its own because the United States is not dependable? Also, a prediction that Japan will possess nuclear arms is still strong in the West. In connection with Japan's vision, what will be the future of the Japan-U.S. relationship?

[Kitaoka] The most basic condition in security is technology. Under Japan's present technical conditions, it is very difficult for Japan to independently build a reliable defense capability. If Japan is going to do so, it will become an extraordinarily high-tech military superpower. This is not desirable. That is why I think strengthening the relationship with the States for the time being is the best thing to do. As far as the United States providing the umbrella of dependable security, I think Japan is not likely to arm itself with nuclear weapons.

[Takano] Changing Japan's current defense and security policies could go far beyond the Asia-Pacific region, and mean a change in international political relations. The Japan-U.S. Security Treaty not only makes it possible to maintain a stable foundation for the relationship between nuclear superpowers in the region and Japan but also it is accepted as the security system in the Asia-Pacific region. Speaking of how to prevent the rise of an argument in favor of having autonomous security, I think, after all, we need to reaffirm that both sides are benefiting well from the present alliance, and to maintain a sense of fairness in the cost sharing. Host nation support and defense technology exchange are important issues in this regard.

Japan and the United States Should Assume Leadership To Maintain World Order

[GAIKO FORUM] As a bigger issue, a discussion of new world disorder has emerged recently, and there is skepticism about democracy itself. Will liberty and democracy really prevail on earth in the future? In this vague world approaching the 21st century, what will happen to the Japan-U.S. relationship?

[Kitaoka] Currently there is disorder in Africa. However, Africa's total population is about the same as India's. India is likely to take off economically, and there are many other such countries. I think we do not have to be so pessimistic.

[Takano] Although Japan and the States may want to cope with all the issues in the world such as Africa and Yugoslavia, in reality, there is a limit to what they can do. On the other hand, the United States has the greatest power in aspects such as conception, plan, and execution to resolve these issues, and Japan is certainly one of the few countries that has enough strength to deal with the issues.

[Kitaoka] Originally, whether it was the maintenance of order or the promotion of economic development, the people living in the region should play the leading role. Unless they really want to restore peace and maintain it by themselves, it cannot be realized even if outsiders tell them to do so. So far, Japan has offered economic assistance mainly to Asian nations; as a result, the number of countries heading toward economic takeoff is increasing. I think increasing the number of such countries that have a reserve of strength will lead to world stability. And the Japan-U.S. Security Treaty will serve as the pillar to maintain the close relationship between Japan and the United States, which are the world's two largest economic powers.

I think the democracy and human rights issues are extremely important. Although democracy is a political system with many shortcomings, it is also true that there has been no better system. I suppose the voice to demand greater political freedom will become stronger among Asian nations, including China, as their economies grow. Therefore, measures that are concerned with political freedom and free political systems will be necessary when planning for the future in the mid- and long-terms. The U.S. human rights diplomacy is a failure in the short-term because it is ill balanced to the point that it is extreme. However, in the long run, there are nations and people all over the world that sympathize with or hope for U.S. action aimed at promoting freedom, and the States has actually answered these expectations. I guess the United States cannot stick to the Kissinger diplomacy, which advocates only real politik. In the States, after all, morals influence public opinion in the long run, and this is not likely to change.

Basically, the trend toward freedom and democracy will not change, but various ideas will be necessary to maintain it. I think Japan would be a weak country if the world order collapsed. The reason Japan was able to grow as much as it has is because there has been world order, and Japan was able to engage in basically free export trade. Since Japan has become this rich, it is now its turn to maintain world order, and to support free trade. As far as we can see a hope in this direction, developing and semideveloped nations will cooperate and continue to make efforts peacefully.

For Asia To Be Attractive to the United States

[GAIKO FORUM] Maintaining the Japan-U.S. security system by force of habit is a problem, and the significance of the Japan-U.S. relationship should be reevaluated occasionally. Japan has to keep in mind there is a possibility that the United States may terminate the security treaty even if Japan wants to maintain it. Having said that, how does the United States view its relationship with Japan?

[Kitaoka] Nowadays, I do not encounter an impressive person at an international conference as often as I used to, and I think this is an indication of the comparative weakening of U.S. national strength. As a destination for exiles, the United States especially absorbed the world's intellectuals during World War II. So, most of the U.S. intellectual giants immediately after the war were of foreign origin. A situation in which intellectual giants only existed in the United States is gradually changing. Also, I do not think individual U.S. policies are always logical.

[Kitaoka] Our target is sensible U.S. public opinion. It makes no sense to say "yes" even to policies such as microeconomic numerical targets that sensible intellectuals unanimously criticize.

Furthermore, when we think what is the benefit to the United States for its commitment to Asia, unfortunately I think there is no striking one. For the States, forward-deployment strategy is inexpensive due to Japan's warm host-nation support. So there is a prediction that U.S. troops will not leave Asia. However, if the voice to cut down the military for economic reasons becomes louder, there is no guarantee that a discussion will not emerge in favor of canceling the Japan-U.S. Security Treaty and leaving Japan. This will hurt the States, but Japan will suffer greater damage. In other words, the United States is vital to Japan but Japan is not vital to the United States.

This is why various ideas are needed to maintain the relationship between the two countries. Although the goal might be the same, I think there is a need to thoroughly discuss what kind of methodology and preparation we need to achieve the goal.

[Takano] With respect to the U.S. view on the Japan-U.S. Security Treaty and its relationship with Japan, the end of the Cold War meant the weakening of the target that the United States had invested—politically, militarily, and morally—most of its resources to cope with for the past 40 years. However at the same time, the United States discovers its own economy and the basis of its competitiveness to be in a very critical situation.

In the States, the term "economic security" is being used now. While four dangers—such as nonproliferation and regional disputes—concerning U.S. security have been pointed out in the "bottoms-up review," the fourth danger, to our surprise, is the U.S. economy's decline. In U.S. opinion polls too, nearly 70 percent think that the U.S. Government should focus on domestic issues first.

From the U.S. perspective, it has to consider what its commitment—not only to the Asia-Pacific region but also to the world, including Europe and Middle East—should be. In this context, the United States has expressed a view of deploying 100,000 military personnel in the Asia-Pacific region by the end of this century. In this case, I think Japan's action will greatly influence the States' way of thinking regarding the Asia-Pacific region.

As we can see in the recent growing U.S. interest in APEC, the United States is starting to feel that it wants to take more of a part in economic investment and trade in Asia. While APEC will play an important role in keeping the United States in this region, it is important for Japan to tell the United States concretely that it can benefit from its relationship with Asia.

[Kitaoka] In my opinion, Japan should become more attractive economically. From the late seventies to the eighties, Japanese exports was the issue, now it is U.S. entry into the Japanese market. Also, I think the Clinton administration is not so categorical as past administrations. The United States is starting to steer its course after all. Bearing such changes in the States in mind, Japan should become a more attractive market and increase imports. I think increasing imports is basically one of the most important security items.

[GAIKO FORUM] For example, Russia's revival as a military superpower is a serious problem to Japan. Regarding China, there are too many things that are unknown. Are not Japan and the United States required to make a great effort to deal successfully with these countries so that they can become members of the international community?

[Kitaoka] I suppose China is now in the process of learning what the international community is. So, it is good for China to participate in various forums, and understand that China is one of the countries in the world. As China wishes to join the WTO, it is good for China to learn various rules by taking part in as many such organizations as possible. Although China's stability and development is essential in maintaining this situation, I fear that China's hyper-inflation might have come to the point where it cannot be managed.

[Takano] China has been encouraged to actively participate as a cooperative partner in the international community and in the international framework, such as GATT and the ARF, and China has been responding to such invitations. Speaking of the Japan-China relationship, a security dialogue has been initiated to promote mutual understanding in the defense and security areas, and I think the environment will be stabilized in this fashion.

What we can say by looking at East Asian nations is that all countries except North Korea have been introducing a market economy and promoting reform and liberty before and after the end of the Cold War. Countries such as Vietnam and Mongolia actually wish to further strengthen their relationship with free economic nations in Asia. I think Vietnam and Laos will join ASEAN in the future. When we look at Asian countries that used to be enemies due to different systems, there now seems to be complete agreement in opinions under the common interest of economic development.

[GAIKO FORUM] Thank you very much.

Yen 'Isolated' in World Exchange Market

OW2101060895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Jan 95 Morning Edition p 7

[FBIS Translated Text] "The yen is becoming isolated from world currencies"—a report compiled by the Industrial Bank of Japan [IBJ] is creating a stir in the financial markets. The report says that Asian and European currencies are intensifying their linkage with the dollar and the German mark [DM], respectively, and that the yen's influence on the international exchange market is being weakened. The yen's isolation may affect international cooperation in the yen rate's stabilization.

"Bipolar Exchange System" Becoming Obvious

The report was compiled by the IBJ Research Department's International Finance Research Office as reference material intended for internal circulation. In the report, the IBJ conducted regressive analysis to assess the correlation between world currencies by measuring foreign currencies' fluctuations linked to the dollar, the DM, and the yen.

As the result, the report notes that a strong linkage with the DM was observed in European currencies, while Asian currencies, the Australian dollar, and the Canadian dollar showed a strong linkage to dollar trends. The report says that both the dollar and the DM obtained better positions in a 10-year period from 1985 to 1994 compared to the previous decade. However, no foreign currencies showed a clear linkage with the yen. In conclusion, the report says that "the yen is becoming a great local currency."

In explaining the intensified interlocking of currencies, the report says that Asia and Europe are becoming the dollar and DM economic zones, respectively.

The United States is not the biggest trading partner for all individual Asian nations. However, growing intraregional transactions are mostly denominated in dollars. For example, Malaysia's trade with the United States is only 17 percent of the entire amount of the former's international trade; however, the ratio of its dollar-denominated trade transactions, including those with other Asian nations, reaches 58 percent.

European currencies are currently showing nervous moves due to political confusion in Italy and Spain, and surplus funds are taking refuge in the DM. The DM is often used to settle trade accounts, and strengthened compatibility with the DM makes European nations' economic administration easier.

Yen-Denominated Dealings Losing Risk-Avoidance Effect

While use of the yen is limited to trade transactions related to Japan, the dollar and the DM are positively used in transactions between third-party nations. This has accelerated the formation of the bipolar currency system dominated by the dollar and the DM.

In this regard, the report notes it is unrealistic to believe that "Asia lies in the yen-dominated economic zone," and it says that Japanese companies opening businesses in Asian countries should give consideration to exchange-rate risk management. This is because Asia is nothing more than a dollar zone.

Companies moving production facilities to Asia believe that the key to exchange-rate risk prevention is settling trade accounts in yen; however, the competitive power of a company is ultimately determined by price competitiveness in local currencies. Even if the trade account is settled in yen, the price of a product cannot be free from exchange rate fluctuations because it should be set at appropriate levels in the market of importing nations. In this sense, yen-denominated dealings cannot fully cover exchange-rate risks.

The report says that companies should cope with exchange-rate risks by introducing asset and liability management (ALM), which aims at balanced revenues and expenses in foreign currencies.

The yen's isolation from other currencies can make international cooperation difficult. While the Mexican peso crisis adversely affected the dollar rate, the yen suffered almost no damage from it. Exchange rates of European currencies are likely to undergo wild ups and downs in connection with the readjustment of the European Monetary System, but the yen also will not be involved in the confusion. As a matter of fact, the yen is relatively free from trends of the international market.

Yen Not Attractive

On the other hand, the stability of the yen rate is becoming an issue of concern only for Japan. The United States and Germany, as well as Asian countries, are not much concerned with yen trends, and, under such circumstances, the prevention of the yen's appreciation is unlikely to be brought up at international financial talks, such as the G-7 ministerial conference.

The Bank of Japan has refuted the IBJ report, saying "we have been trying hard to internationalize the yen since the mid-1980's, and the yen is steadily becoming popular in the international market." But the volume of yen-denominated transactions is becoming quiet at the Tokyo foreign exchange market. An exchange dealer of a city bank noted, "I do not know if the yen is really isolated—but what I can say is that the yen is no longer attractive to investors."

Banker Views U.S., Japanese Economies, Ties

OW2201070495 Tokyo TOKYO SHIMBUN in Japanese 15 Jan 95 Morning Edition p 1

[Article by Toyoo Gyoten, chairman of the Bank of Tokyo and columnist, from the "Reading the Times" column: "U.S. Economy and Japan in 1995"]

[FBIS Translated Text] The year 1995 will turn out to be a year in which the United States will find it difficult to manage its economy.

Its real gross domestic product (GDP) for the second half of 1994 was once again at 4 percent, as it was in the second quarter of the year. The rate of plant and equipment operation was close to 85 percent—nearing full capacity. The U.S. economy has begun to run at full speed ahead. Its inflation rate at this moment is about 3 percent, but there is much danger of it soaring if economic overheating continues. Long-term interest rates, which exceeded 8 percent for a while, have come down to 7 percent, but they are still high. On top of this, there are moves to cut taxes.

Given these conditions, there is prevailing pessimism that the government's fiscal deficits will shrink in the medium term, and there is a growing feeling that inflation is waiting around the corner

Another point to note is that as long as the Clinton administration, which suffered a major defeat in the mid-term elections last year, wants to get Clinton reelected in the 1996 presidential election, it must keep the economy in good shape until the spring of 1996, and the administration must make tough decisions on what it should do in order to accomplish this.

As I see it, the United States will probably raise its official discount rate once again by February—not by as much as the 0.7 percent previously, but by about 0.5 percent. As far as the U.S. Federal Reserve Board (FRB) is concerned, it is not so happy to be getting involved in this matter because this is an issue to be handled by the Treasury in principle, but the board does see a need to apply pressure to clamp down on the economy, as a way of removing concerns about inflation immediately.

If these efforts go well, the market will show the reactions anticipated by the FRB, and the overheated economy will be corrected. Also, the real growth rate of the economy will possibly return to a sustainable level of 2.5 percent. Should that happen, long-term interest rates will come down, and the risk of the dollar declining further in value will diminish.

As far as the U.S. economy in only 1995 is concerned, I believe that a rosy picture can be drawn of it. What is at issue here is not the cyclical nature of the economy but rather the fact that there continues to be big shortages of savings. In other words, the problem is structural—that of the financial deficits continuing to grow, and the international deficit of payments not being reduced.

The question now is whether the Clinton administration will pursue, in the next two years, the second half of its term, correct policies based on medium- and long-term views. What is important is whether the policies can restore trust in the financial markets. If one thinks, however, about the administration's difficult relationship with the Republican-led Congress, and about the very political and difficult issues of reducing taxes, cutting expenditures, and reforming the health care system, it is apparent that there are small possibilities of the administration being able to come up with effective policies in the financial areas. When efforts to be reelected are taken into account, it becomes particularly difficult for the administration to follow policies involving financial measures that can bring pain to the general public.

But if such measures are avoided, then the weight of the burden will inevitably shift to monetary policies. What is disturbing about this is that if this condition continues, the finanical deficit will grow completely out of control once the economy again tops out and then falls into a recession. If that happens, long-term interest rates will stabilize at a high level, and stagflation will begin.

If I must make a prediction on Japanese-U.S. relations in 1995, I must say that the United States' current-account deficit with Japan will not shrink dramatically. If the pace of Japan's economic recovery increases, this will help, but even if this happens, the deficit will not shrink dramatically. One welcome sign, however, is that the yen appreciation that started in 1993 is now showing its effects steadily, and Japan's trade surplus has peaked on a real- term basis. Also, the Japanese-U.S. economic consultations are making progress, although only little by little, in such areas as government procurement and financial services.

Even in the area of automobiles, as long as U.S. sales of automobiles continue to go as well as they are now, there will be no serious problem. Besides, Japan's influence on U.S. economic policy is not as great as it used to be, and I do not foresee any reason for this to change. It is difficult to think that some individual issues of trade frictions will escalate into major issues, thus making the United States toughen its policy toward Japan.

The United States' relations with China, however, are undergoing a subtle change. So far we have had the strong impression that the United States considered political issues concerning China to be secondary and that it considered securing its position in China's market to more important. More recently, however, there have been growing voices questioning the future of the Chinese market itself. On top of this, not as much progress is being made on the human rights and intellectual property issues as the United States had expected. Besides, the Republican Party is considered hawkish on China. The United States, whose relations with China are not going so smoothly, should not want its relations with Japan to worsen.

As for the currency exchange rate, the current level of 100 yen to the dollar is about 5 yen higher than the ideal rate based on purchasing power parity. However, if viewed on the basis of economic fundamentals, it is certain that the strong-yen trend will continue. The reason for this is that Japan's economic growth rate is expected to rise in 1995-97, while the United States' is expected to decrease in that period, according to the OECD forecast.

Of course, there are some people who say that Japan's economy has lost its vitality and that the times of the weaker yen are beginning. But as far as the picture shown by the indicators of economic fundamentals are concerned, there is no reason for the yen to decline. The ongoing efforts to correct the current problem of the yen being a little too high will be offset by the ongoing basic strong-yen trend. No major change can be predicted, but it is possible that the yen's value will fall in the second half of this year if Japan's surplus [not further specified] shrinks rapidly. Historically speaking, in the yen-dollar exchange market, the yen has tended to be weaker compared to the dollar than has the dollar compared to the yen. Hence, it may be worth watching the psychology of the market.

MOFA 'Concerned' Over Yen Loans to Iran

OW2301020195 Tokyo ASAHI SHIMBUN in Japanese 22 Jan 95 Morning Edition p 3

[FBIS Translated Text] The Ministry of Foreign Affairs [MOFA] is concerned over how it should handle the issue of yen loans the Japanese Government plans to extend to Iran for a giant dam construction project in that country. The government, for its part, wants to extend its second phase of yen loans for the dam construction project in line with a policy it has thus far maintained—that of supporting moderate forces in the administration of Iranian President Ali Akbar Hashemi-Rafsanjani, which advocates a realistic political approach. However, the U.S. Government, which considers Iran "a state that supports terrorism," has shown strong concerns over Japan's intentions and has stepped up its pressure against the Japanese Government. For example, on 20 January, U.S. Secretary of State Warren Christopher tacitly placed a check on Japan's moves. As a result, rough sailing is anticipated before Japan can expect to extend the loans any time soon.

Through diplomatic and other channels, the United States asked Japan beginning in the latter half of last year to suspend its planned yen loans to Iran. At the 11 January Japanese-U.S. summit meeting, the United States once again asked Japan to "handle the matter cautiously."

Yohei Kono, deputy prime minister and concurrently foreign minister, who attended the summit meeting, held a news conference after returning to Japan and said: "This is a delicate issue. It is an issue that concerns both Japan and the United States and also one that concerns Japan and Iran. It is not appropriate to comment on this issue here." He thus admitted that the issue was taken up at the summit but avoided going into detail about what was discussed there.

Because the Japanese Government wants to secure a stable supply of crude oil and build friendlier relations with Iran, it stands in a position where it "would like to extend yen loans by all means" (as stated by a senior MOFA official). The government feels that by supporting moderate forces in Iran through extending economic aid via its Official Development Assistance programs, Iran would become stable, and that would lead to the stability of the entire Gulf region. Maintaining that "this issue is to be discussed with the United States" (as stated by the same senior MOFA official), MOFA feels that it will be necessary to gain the understanding of the United States. However, the ministry is at a loss in determining what specific steps it should take to find its way out of the situation.

Murayama's Policy Speech Omits UNSC Seat Issue

OW2301020295 Tokyo ASAHI SHIMBUN in Japanese 21 Jan 95 Morning Edition p 2

[FBIS Translated Text] The issue of Japan's bid for permanent membership in the UN Security Council [UNSC] was incorporated in an original draft of the prime minister's policy speech to the Diet. But the issue of Japan's bid for a permanent seat on the UNSC was later deleted from the prime minister's policy speech to the Diet because of a feud between Foreign Minister Yohei Kono and Finance Minister Masayoshi Takemura over Japan's the bid. Finance Minister Takemura is known to be cautious over Japan joining the UN Security Council as a permanent member. The Foreign Ministry, which plans to seek public support for Japan's affiliation with the UNSC as a permanent member this year, which marks the 50th anniversary of the founding of the United Nations, appears to be facing a stumbling block.

According to the Foreign Ministry, the original draft of the prime minister's policy speech to the Diet included the language that "Japan is ready to fulfill its responsibilities as a permanent member of the UNSC after obtaining the endorsement of many other nations and the understanding of its people." The same language was incorporated in the prime minister's policy speech delivered last September to the Diet.

Takemura demanded a change in the language when he met on 17 January with Kono and Prime Minister Murayama to discuss the prime minister's policy speech to the Diet. The language was amended in accordance with Takemura's demand and it said, "Japan is ready to fulfill its responsibilities as a permanent member of the UNSC in a reformed United Nations."

At a cabinet meeting held on the morning of 18 January to discuss the prime minister's policy speech to the Diet, however, Kono expressed his disapproval of the amended policy speech, saying, "The expression a reformed United Nations was used in former Prime Minister Hosokawa's speech to the UN General Assembly in the fall of 1993 and it is unclear what it means." In this way, Kono was at odds with Takemura over the language.

Takemura takes a firm view that "Japan should think of whether to join the UNSC as a permanent member after taking the lead in reforming the United Nations." The Foreign Ministry refutes Takemura's view by saying: "Japan will of course work for reforming the United Nations. It is unrealistic to argue that Japan should not become a permanent member of the UNSC unless the United Nations is reformed," (says a senior Foreign Ministry official).

Prime Minister Murayama, Kono, and Takemura continued their meeting until noon. Kono proposed deleting the language concerning Japan's bid for a permanent seat on the UNSC after consulting with a Foreign Ministry bureau chief in charge of affairs concerning Japan's affiliation with the UNSC as a permanent member, and Takemura accepted Kono's proposal.

A senior Foreign Ministry official says: "In the prime minister's two policy speeches delivered last year to the Diet and the foreign minister's speech delivered last fall to the UN General Assembly, the Japanese Government made clear its position of vigorously seeking a permanent seat on the UNSC. If the Japanese Government's position has been set back to the point where it uses the insignificant phrase of a 'reformed United Nations,' it had better delete the entire subject from the prime minister's policy speech to the Diet."

Tokyo's Quest for Permanent UNSC Seat Discussed

OW2101094095 Tokyo SHUKAN DAIYAMONDO in Japanese 31 Dec 94, 7 Jan 95 (joint issue) p 29

[Article by Yukio Okamoto, president of Okamoto Associates]

[FBIS Translated Text] If Japan and Germany were the only countries seeking permanent membership on the UN Security Council [UNSC], their possibility of success would be quite strong. However, proposals on procedural amendments will probably be submitted on these two nations' seats on the UNSC. Countries like Brazil and India, which are also seeking UNSC seats, will be included in such proposals.

Needless to say, the incumbent permanent UNSC members are likely to use their veto power to negate a radical increase in UNSC permanent membership. Therefore, from the procedural point of view, Japan's and Germany's UNSC seats may be difficult to attain.

However, weighing the pros and cons, I believe Japan should seek permanent membership in the UNSC.

Some people believe that problems such as participation in the Military Staff Committee and in UN peacekeeping operations violate the Constitution. However, these are issues that can be resolved by limiting Japan's contribution within the bounds of the Constitution. In the first place, the Constitution comes before the UN Charter. Japan can simply refrain from doing things that violate its Constitution.

If the Constitution is cited as the reason for not becoming a permanent UNSC member, even Japan's UN membership comes into question. UNSC permanent members and ordinary UN member states have the same responsibilities in the United Nations. Moreover, it is absurd for Japan to say that it should only become a permanent UNSC member "if asked by other nations to do so." This lack of self- confidence on the part of Japan causes other countries to treat Japan coldly.

Coming to issues in Asia, the United States is increasingly imposing its sense of values on this region. This makes it difficult for Japan to continue to take the same policy as the United States. If Japan comes out to assert that Asia needs its own policies, the world will have a different opinion of Japan.

Japan should continue to have the will to become a permanent UNSC member even though it will be procedurally difficult for some time to come.

Sakigake Leader on Japan's Leadership, UN Reform

OW2301061195 Tokyo RONZA in Japanese 20 Dec 94 pp 27-32

[Article by Shusei Tanaka, deputy leader of Sakigake: "Japan's Challenge: Setting a New Example as an Advanced Nation"]

[Text] "Our country is prepared to do all it can to discharge its responsibilities in a reformed United Nations," Prime Minister Morihiro Hosokawa said in a rich and resonant voice, when he delivered a speech in English before the United Nations General Assembly in September 1993. Mr. Hosokawa is a man who has a good on-stage appearance. Although my own English is not very good, I listened carefully to his English speech from offstage, trying not to miss this important sentence.

The sentence in question, when it was initially drafted into the speech by the Foreign Ministry, was: "Our country is prepared to do all it can to discharge its responsibilities as a permanent member of the United Nations Security Council." When I checked the original draft for the first time in the presence of Foreign Ministry officials, I immediately asked them to revise this part of the speech. After several corrections, it was decided to use the wording "in a reformed United Nations" instead of "as a permanent member of the United Nations Security Council."

The Foreign Ministry had strongly objected to the change, saying that the use of the new wording was a backward step in expression, hurting the continuity of Japan's diplomacy. In other words, the Foreign Ministry felt that its plan would be disrupted if such a wording were used in the prime minister's speech.

One year has passed since then. If Prime Minister Hosokawa had delivered the initial speech prepared by the Foreign Ministry before the United Nations General Assembly, what would have happened to Japan?

A speech made by a prime minister has more value than a speech by a foreign minister. If Mr. Hosokawa had said, "Japan is prepared to do all it can to discharge its responsibilities as a permanent member of the Security Council," other nations might have taken it as an official announcement of Japan's candidacy without reserve. Moreover, if the United Nations members had promptly reached a final agreement on how the Security Council should be expanded, Japan, without forging a national consensus, might have obtained a permanent seat in 1995, the 50th-anniversary year of the world body, just as the Foreign Ministry had expected.

However, the fact is that Japanese people have become increasingly interested in the issue during the past year. Not only Japanese, but people from other nations have also begun to state their frank opinions about Japan's permanent entry to the Security Council. Therefore, I am now confident that this issue will be settled successfully, in a way desirable for most people.

Only since the Gulf War has the Foreign Ministry become very anxious for Japan to become a permanent member of the Security Council. The Foreign Ministry was frustrated during the Gulf War, because Japan's huge monetary contribution to the multinational forces was little appreciated by the international community. This sense of frustration is said to have stirred up the

Foreign Ministry's desire to make Japan a permanent member of the Security Council. The Foreign Ministry has been quietly promoting its policy to seek a permanent seat, since the Security Council held a summit meeting in January 1992. Although I was parliamentary vice-minister of economic planning at that time, I felt concern about this foreign policy. So I gathered necessary materials and information, with the object of publishing my opinion as soon as I had resigned from the post of parliamentary vice-minister. Shortly after the cabinet reshuffling, which had been expected to be carried out in July 1992, was postponed, I got in touch with Mr. Hosokawa to explain my intention to also leave the Liberal Democratic Party [LDP]. In the fall of the same year, I had a series of tense meetings with some LDP politicians, which led to the formation of Sakigake. Although I have stayed busy all the time since then, I have never stopped thinking about the question of Japan's permanent admission to the Security Council.

Shortly after I resigned as parliamentary vice-minister of economic planning at the end of 1992, I did write a critical essay on that issue, despite the demands of a busy political life. My essay, entitled "To Become a Nation That Advocates a New United Nations," was published in the May 1993 issue of SEKAI magazine.

Now that the Berlin Wall has been taken down, bringing about an end to the Cold War structure, I thought that a historic chance to carry out a full-scale reform in the United Nations would present itself in 1995, when the world body celebrates its 50th anniversary. Japan is the most suitable country for promoting such a reform, for the following reasons.

First, Japan is a non-nuclear power. Second, it does not export weapons to other countries. Third, Japan has built its own postwar history, based on remorse over World War II. Fourth, it has been somewhat restricted in its movement within the United Nations framework, because it remained outside the Security Council. Fifth, it has become an important influential power in the international community, because of its economic strength and contribution to the world. Sixth, as one of the world's most advanced nations, it is wrestling with new global problems that confront people everywhere.

I Supported the Formation of the Murayama Government So That Japan Could Deal With the Issue Properly

My opinions are very clear. The international situation surrounding the United Nations has completely changed since the world body was founded 50 years ago. Mankind is threatened by new global problems, such as environmental destruction, exhaustion of natural resources, poverty, overpopulation, food crises, drugs, AIDS, human rights, oppression, and so on. There are also the problems of nuclear proliferation, military expansion, and arms exports. These problems did not exist or were not significant when the United Nations was founded. Moreover, they are indeed the ultimate cause of regional disputes that now break out one after another. There is an urgent need to set up an international system that will effectively control these issues. To this end, the United Nations should be reformed on the occasion of its 50th anniversary, and such a reform should be advocated by Japan.

I stuck to this question during the negotiations held among Sakigake, the Social Democratic Party of Japan [SDPJ], and the LDP, about the establishment of a new coalition government. As SDPJ Chairman Tomiichi Murayama, LDP President Yohei Kono, and Sakigake leader Masayoshi Takemura shared the same view over Japan's future course, I thought that a new government with these three leaders as central figures would be able to stop the Foreign Ministry from acting in its own way. Personally, I supported the formation of the Murayama government, because I wanted Japan to properly deal with the issue of permanent membership.

Sakigake announced its policy platform on June 28, 1994, just before the formation of a new government. The text, which was entitled "Contributions to Peaceful Coexistence and Administrative Reforms," included a paragraph about the reorganization of the United Nations and Japan's permanent admission to the Security Council. It clearly stipulated Sakigake's policy, based on my opinions. The outline of Sakigake's policy had previously appeared as what leader Takemura had said when he took the floor to question Prime Minister Tsutomu Hata on his politics.

Then, Sakigake immediately opened negotiations with the SDPJ, in the hope of reaching a policy accord based on its platform. The last-minute talks were held in the SDPJ lawmakers' lobby, and an agreement was finally reached on June 29 at two o'clock in the afternoon, just a few hours before the opening of a plenary session to elect a new prime minister. I participated in the policy talks with Naoto Kan, chairman of Sakigake's policy affairs research council. SDPJ negotiators were Chairman Murayama, Secretary-General Akira Kubo, and Nobuyuki Sekiyama, chairman of the SDPJ policy board. This agreement has developed into a tripartite policy accord between Sakigake, the SDPJ, and the LDP.

The text of the tripartite policy accord for the establishment of a new government also includes a paragraph on diplomacy, security, and reorganization of the United Nations. It says: "Based on the spirit of the Japanese Constitution, the new government will endeavor to reform the United Nations. It will have as its objective the establishment of a peaceful order in the world centered on the United Nations. As for the question of seeking a permanent seat on the Security Council, Japan should not try to do what is beyond its ability. The new government should handle the question with deliberation, by checking how reform is being promoted in the United Nations, how Asian neighboring nations are backing Japan's bid for permanent membership, and how a national consensus is being formed."

I do not say that people are wrong in thinking that Japan should make an active bid for a permanent seat without attaching any conditions. I just do not view the matter in that light.

Some people say, "Since Japan has become an economic superpower, it should discharge its responsibilities as an influential nation. It should share the burden for maintaining a peaceful order in the international community. To this end, Japan should definitely announce its candidacy for a permanent seat on the Security Council, without attaching any conditions. It should also adopt the use of armed force and consequently revise its Constitution."

In other words, these people want to change Japan, by taking the existing permanent members as a pattern. They just want Japan to follow in Britain's or the United States's tracks.

The previous government, led by Tsutomu Hata, made a strong push for Japan's bid for a permanent seat. As I could not support this stance, I got in touch with Junichiro Koizumi of the LDP to exchange views. When it comes to very important issues, whether one belongs to the ruling coalition or to the opposition is of no concern. As Japanese politics are in a transitional period, with politicians joining together or separating for various unavoidable reasons, such as the approach of elections, it is difficult for every political party to clearly express its intention. Amid such circumstances, counterarguments cancel each other out. This is why politicians do nothing but mouth abstract words that everyone loves to hear, such as freedom, democracy, fairness, responsibility, reform, welfare, and peace. This is also why the bureaucracy continues to gather strength.

Mr. Koizumi and I decided to form a group of politicians willing to study the question of Japan's permanent membership. The group, with Mr. Koizumi as chairman and myself as a vice-chairman, was founded on August 5, about a month after the birth of the Murayama government. As a first step, the representatives of the group called on Prime Minister Murayama on September 2, and presented the following requests.

First, the group wants the Murayama government to deal with the question of Japan's permanent membership with caution, in line with the tripartite policy agreement for the establishment of a new government.

Second, the group wants the Murayama government and the ruling coalition to work out a definite policy regarding "Japan's contributions to peaceful coexistence," which was mentioned in the tripartite policy agreement.

Third, the group wants the foreign minister, in his speech to the United Nations General Assembly in late September, to clearly define what Japan can and cannot do for the United Nations. He should state Japan's intention to play an active role in non-military areas, stressing that it will not participate in activities involving the use of armed force.

Fourth, the group wants the Murayama government to make recommendations and proposals to move the United Nations toward a new era and to present a United Nations reform plan.

Fifth, the group wants the prime minister to set up a special consultative body and to listen to different opinions about Japan's permanent membership.

Asking Heavy Smokers To Give Up Smoking on Their Own Initiative

The group's activity proved successful, since the three ruling parties decided to draft a memo concerning important points that should be included in the speech to be delivered by the foreign minister before the United Nations General Assembly. Before holding consultations with the LDP and the SDPJ, Sakigake reaffirmed its position.

Sakigake thinks that the United Nations should be reformed so that the world body will be charged with the primary mission of dealing with global issues that are threatening the existence of mankind, such as the global environment, exhaustion of natural resources, poverty, food crises, human rights, drugs, and AIDS; that Japan should, as much as possible, play an active role in these areas; that the existing permanent members of the Security Council should take the initiative in promoting the total destruction of nuclear weapons, as well as the reduction of conventional weapons, and tightening control over arms exports; and that the United Nations peacekeeping activities should be provided for in the United Nations Charter.

The LDP, the SDPJ, and Sakigake drafted the following four-point memo, which they asked to be reflected in the foreign minister's speech.

First, Japan should take the initiative in implementing a drastic reform in the United Nations so that the world body will be entrusted with the primary mission of properly dealing with the international situation in the post-Cold War era, and with such global issues as the global environment, natural resources, overpopulation, poverty, refugees, human rights, drugs, and AIDS. The United Nations Charter should be reformed to this end.

Second, as a country that had suffered atomic bombing and maintained the triple non-nuclear principle and the triple ban on arms exports, Japan should endeavor to promote reduction of nuclear and conventional weapons and to tighten control on arms exports.

Third, based on the spirit of the Japanese Constitution, Japan should clearly state that it cannot participate in military actions using armed force.

Fourth, Japan will consequently not seek a permanent seat on the Security Council without national consensus and without the explicit backing of many other nations. Once these conditions are met, Japan will be prepared to actively discharge its responsibilities as a permanent member of the Security Council.

In other words, the three ruling parties reconfirmed the contents of the important statement made by Prime Minister Hosokawa, that it is a precondition that the United Nations must be totally reformed before Japan is admitted to the Security Council.

All accords reached by the ruling parties, as well as the prime minister's will, should have important significance for the administration. If they are respected only for the sake of formality, public opinion will never be reflected in the administration, and this will be the end of Japan's parliamentary democracy.

The Foreign Ministry always sticks to such wording as "backward step in expression" or "continuity in foreign policy." However, if it insists too much on continuity in foreign and other policies, as well as on continuity in administration, the change in government may even lose its meaning. Although the change in government is the result of a shift in public opinion, the Foreign Ministry tends to minimize its meaning, by considering it a result of a simple power struggle between different political parties.

Securing continuity in diplomacy means that the new government will continue to observe all treaties and agreements Japan had concluded in the past with another country. As for the official statements made by the previous governments, it means that the new government will take the necessary step and deal with the matters lawfully. In other words, securing continuity in diplomacy means that the new government can go its own way at its own pace, on the condition that it keeps in hand the baton it received from the previous government.

Unfortunately, Foreign Minister Yohei Kono's September 27 speech before the United Nations General Assembly did not include the most important part of the memo drafted by the three ruling parties. Sakigake released the following official comments about his speech.

First, Sakigake understood from what he said that he did his best to include the contents of the memo in his speech. However, on the whole, Sakigake got the impression that Japan's intention to seek a permanent seat on the Security Council was overly emphasized, because his speech lacked clear statements explaining Japan's stance on the question of reforming the United Nations.

Second, the fundamental passage was left out. None of Sakigake's platform, the tripartite policy accord, the memo, was reflected in the speech. So in its official comments, Sakigake asked the Foreign Ministry to make greater efforts to accept the view adopted by the three ruling parties.

Third, the speech should not be taken as an announcement of Japan's candidacy for a permanent seat. As such, Sakigake confirmed that it marked the beginning of an international debate and a domestic debate toward the formation of a national consensus.

Fourth, Sakigake expressed regret that the foreign minister officially stated Japan's support for making the nuclear Nonproliferation Treaty perpetual, because although the ruling parties had agreed to discuss the issue, they had not reached the conclusion yet.

The fourth point does not directly touch on the question of Japan's permanent membership. However, it was added in deference to Sakigake lawmaker Seiji Maehara, who is dealing with this question earnestly.

Even other cabinet members had no opportunity to read the foreign minister's speech in advance. As for me, I was only able to read it just before the foreign minister took the floor.

"Our country will not resort to the use of armed force, as prohibited by our Constitution. It will continue to act as a peaceful nation, by buckling down to the task of promoting disarmament and nuclear nonproliferation, not by possessing nuclear arms, and by not exporting weapons to other countries," Foreign Minister Kono said.

The problem lies in this most important part of his speech. What he did was to just reaffirm Japan's long-standing position. He never asked other nations, particularly the permanent five members, to buckle down to the task of promoting disarmament and nuclear nonproliferation, to not possess nuclear arms, and to not export weapons to other countries.

The permanent five members should welcome Japan's decision to remain a non-nuclear power that does not export weapons to other countries. It is as if Japan were a non-smoker who does not ask heavy smokers to quit smoking.

This is completely different from what Sakigake was saying. Sakigake wants the permanent five members to take the initiative in tightening control over arms exports, which is equivalent to asking heavy smokers to quit smoking on their own initiative.

The Foreign Ministry's Policy To Seek a Permanent Seat Has Reached a Deadlock

The same thing can be said for the sentence "Our country will not resort to the use of armed force, as prohibited by our Constitution." This sentence also just explains Japan's long-standing position. It refers to the use of armed force as a sovereign right. Nothing was said about the use of armed force as part of the United Nations activities.

The foreign minister also said, "Our country is determined to make further contributions in dealing with such global economic and social issues as development, global environment, human rights, overpopulation, drugs, and AIDS."

Sakigake did not want the foreign minister to declare only Japan's intention; rather, it wanted him to stress that the United Nations should primarily deal with these global issues. His sentence should have begun with "the United Nations" and not with "our country." When the subject word changes, the meaning of the sentence necessarily changes as well.

I am not saying that his speech completely neglected all the important points. When I read it carefully, I understood that Foreign Minister Kono had difficulties and how much he strove to include the missing points in his speech. I have heard that Foreign Minister Kono had been engaged in a heated dispute with Foreign Ministry officials over the contents of his speech.

At the end of his speech, he referred to the reorganization of the United Nations, calling for a reform that meets the needs of the times. However, what he said was almost nothing compared to what was agreed between the three ruling parties. He also called for the abolition of the Trusteeship Council and for the deletion of the enemy clause from the United Nations Charter, but these two matters are in fact almost settled already.

Foreign Minister Kono also proposed to revitalize the General Assembly and to strengthen the Economic and Social Council. However, since he did not state the need to revise the United Nations Charter to this end, his proposals sounded futile. After all, instead of calling for a full-scale reform, it was as if he had implicitly supported the idea of reforming only the Security Council.

Foreign Minister Kono had come to see me to ask my opinions before leaving for the United States. I stressed to him the following two points.

I said that his speech to the United Nations General Assembly will mark the beginning of the domestic debate over Japan's permanent membership; that is to say, for the first time, Japanese people will take up this issue for discussion. Foreign Minister Kono fully agreed with me on that point.

A national consensus will be formed gradually once the domestic debate begins. As a matter of course, Japan cannot announce its candidacy for a permanent seat without a national consensus. As the Foreign Ministry says, some Asian countries have already expressed their support for Japan's bid for permanent membership. Under such circumstances, it has become indispensable for Japan to clarify its current stance over the issue. I explained to him that this was the very object of his speech. Foreign Minister Kono shared the same view.

After the above meeting, these two points had once again been reconfirmed by the three coalition leaders: Murayama, Kono, and Takemura.

Meanwhile, the October 22 morning edition of all Japanese newspapers carried a remark made by Malaysian Prime Minister Mahathir Mohamed during his press conference in Japan.

NIHON KEIZAI SHIMBUN reported that Prime Minister Mahathir indicated his intention to ask Japan to assume a military role, saying that if Japan becomes a permanent member of the Security Council, it should discharge "the same responsibilities as the other permanent members."

This is a very important remark. When Prime Minister Murayama had met his Malaysian counterpart during his swing through Southeast Asia in August, Prime Minister Mahathir had expressed his support for Japan having a permanent seat. Prime Minister Mahathir's endorsement had been regarded as a clear sign that Asian nations had begun to recommend Japan for permanent membership. It had considerably helped the Foreign Ministry to justify the contents of its draft for the foreign minister's speech. When Sakigake had reiterated it cautious stance over the issue, many officials had often objected, saying "Yes, but you know that Prime Minister Mahathir said...."

When a nation expresses its support for Japan's bid to become a permanent member, Japan should try to get behind its recommender's words. Japan should ask such questions as "what do you expect of Japan as a permanent member?" or "what do you want Japan to do as a permanent member?" This is what I have been saying for some time.

The remark made by Prime Minister Mahathir in Japan proves that, contrary to the Foreign Ministry's optimistic view, receiving support from an Asian country is not necessarily a desirable thing for Japan. At least, Japanese people should have understood the difference in nature between Prime Minister Mahathir's endorsement and the kind of support Japan expects to get from Asia in order to justify its candidacy.

I really wonder if Japan is prepared to discharge the same responsibilities as the five permanent members. Is Japan able to assume such responsibilities legally and morally? Did the government already take the necessary step for that? The problem is that the Foreign Ministry did not understood the real meaning of Prime Minister Mahathir's strong support for Japan's bid to become a permanent member. If it had actually understood it, I should say that the Foreign Ministry was unfaithful to the ruling parties. If it did not understood at all, I should rather say the Foreign Ministry is really lacking in diplomatic skill.

Shortly after Prime Minister Mahathir's press conference in Japan, a Japanese newspaper carried the contents of an official message sent by Hisashi Owada, Japan's ambassador to the United Nations, to the foreign minister.

According to the October 25 edition of ASAHI SHIMBUN, Ambassador Owada reported that there was absolutely no support expressed by Asia-Pacific nations for Japan, following the speech delivered by the foreign minister before the United Nations General Assembly.

The newspaper added that the ambassador asked Foreign Minister Kono to make further efforts to work on the ASEAN nations.

It seems that the Foreign Ministry's policy to seek a permanent seat has come to a deadlock. I am afraid that Japan's diplomacy may further deteriorate if Japan intensifies its campaign to obtain a permanent seat on the Security Council.

Instead of Striving To Settle Disputes, the United Nations Should Rather Endeavor To Remove the Cause of Possible Disputes

The Foreign Ministry made many mistakes in pushing its policy to seek a permanent seat on the Security Council. The first error brought about the second error, and so on. As a result, this policy has now reached a deadlock. Here is a list of mistakes made by the Foreign Ministry.

First, the Foreign Ministry should not have taken the 50th anniversary of the United Nations as a golden opportunity for Japan to become a permanent member of the Security Council; rather it should have taken it as a golden opportunity to reorganize the United Nations.

Second, it should not have expressed its intention to make Japan a permanent member at a time when there is a growing move to reform only the Security Council, instead of carrying out a full-scale reorganization of the United Nations. It also went too far by having the foreign minister deliver a speech that could be taken as an official announcement of Japan's candidacy for a permanent seat.

Third, many Japanese people, as well as many foreign people, got the impression that Japan was seeking a permanent seat just because it wanted more prestige and more power; and that Japan was campaigning only for its own benefit, and not in the interests of the world community. Japan's character was debased as a result.

Fourth, people also got the impression that the Foreign Ministry was pushing its policy in order to pursue its own interests. The domestic debate over the issue has been delayed because of the Foreign Ministry's self-righteous manner, fostering a disbelief in Japan's diplomacy among the public.

Fifth, the Foreign Ministry should not have spent the past two years promoting a campaign to obtain a permanent seat; rather it should have spent them working out an original plan to reform the United Nations, with an eye to the future of mankind.

I am afraid that the United Nations may face a crisis in the near future, because the international community may no longer support the existing equation "the United Nations equals the Security Council equals the settlement of disputes." The United Nations peacekeeping operations can no longer cope with the current situation, which is characterized by successive outbreaks of regional disputes and by unrestricted exports of weapons. Once the peacekeeping operations become increasingly dangerous, costing a greater sacrifice of lives, each country will surely begin to evade participating in such activities. The international community does not want the United Nations to develop its ability to settle disputes; rather it wants the world body to perform the function of removing the cause of possible disputes. This means that the United Nations should endeavor to remove the danger itself through control of arms exports, before sending troops to a danger spot.

The League of Nations was founded after World War I. It was replaced by the United Nations after World War II. Now that the third world war, called the Cold War, has ended, I have been stressing that Japan should help carry out a full-scale reform in the United Nations, with a fine spirit to create a new world body. The international community needs a new system under which new global issues will be discussed, coordinated, and settled, with a view toward peaceful coexistence for mankind. For that, the central function of the United Nations should no longer be assumed by the current Security Council, whose duty it is to settle disputes. The Security Council and the Economic and Social Council should be replaced by a new general council that will function as the United Nations center. When all these changes are carried out, it will be high time for Japan to become a permanent member and to bear heavy responsibilities on its own initiative.

Neither the world community nor the times require Japan to follow in other countries' footsteps. On the contrary, they demand that Japan, based on its own idea and style, create a new current, by accepting the challenging mission of setting a new example as an advanced nation. Whether the policy to seek a permanent seat on the Security Council is right or wrong is not the question. The point is that this policy is nothing but a sterile option acting against the interests of Japan and the world community.

Plans for 2.8 Percent Economic Growth Adopted

OW2001014395 Tokyo KYODO in English 0059 GMT 20 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 20 KYODO—Japan's government adopted Friday [20 January] plans aimed at achieving its official forecast of 2.8 percent inflation-adjusted economic growth for fiscal 1995.

Incorporating a forecast for real growth in gross domestic product for the 12 months starting in April with spending proposals from the government's budget plan, the cabinet-approved management plan is designed to put a recovering economy onto a path of steady growth led by domestic demand.

Combined national and local government spending is forecast to reach 93 trillion yen, a 3.4 percent rise, before adjustment for inflation, over anticipated results of fiscal 1994.

Fiscal 1995 public works spending is forecast to grow 3.8 percent to 45.2 trillion yen, a slowdown of 2.1 percentage points from the current fiscal year's expected growth.

With private-sector housing investment growth also forecast at a slim 1.9 percent, the government's plan envisions an economy powered by increased personal consumption and capital spending.

Panel Asked To Advise on 1995-2000 Economic Plan

OW2201044295 Tokyo MAINICHI SHIMBUN in Japanese 20 Jan 95 Morning Edition p 11

[FBIS Translated Text] The government on 19 January asked the Economic Council (prime minister's advisory panel chaired by Gaishi Hiraiwa) to provide its recommendations on formulating a new economic plan to replace the current five-year economic plan (1992-96). The new plan is aimed at creating—with the 21st century lying just ahead—a socioeconomy that will be open internationally and free and invigorating domestically, thus enabling the people of Japan to live in abundance and ease. The plan will cover the six- year period from 1995 to 2000. The cabinet will later decide by what date the recommendations should be completed.

In speaking about the need to formulate a new plan, Prime Minister Tomiichi Murayama pointed out the existing issues that had not been foreseen at the time of formulating the current plan but still need to be addressed without delay. Among the issues pointed out were: 1) growing differences in prices of goods in Japan and other countries, and the hollowing out of industries and employment as a result of manufacturing industries moving out of the country; 2) the trend of families having less children, and people living longer than before; 3) the establishment of post-Uruguay-Round-of-talks foreign economic relations; and 4) action on global environmental issues.

In the current economic plan, the real economic growth during the plan period is envisaged as 3.5 percent per annum. But with the reality being far from the prediction, there are now people who complain about presenting economic growth rates in the economic plan. Regarding this, Chairman Hiraiwa said, "It is not desirable if the numbers take on a life of their own and start to walk around, but it is necessary to present the economic growth rates in order to give a picture of the overall economy."

Tokyo Urged To Review Crisis Management System

OW2301133695

[FBIS Editorial Report] Tokyo SANKEI SHIMBUN in Japanese carries on page 2 of its 19 January Morning Edition a 1,000-character editorial: "Seriously Review the 'Crisis Management' System." The editorial points out that the Southern Hyogo earthquake leaves behind serious doubts about the local and national governments' crisis management ability. It calls for amendment of the existing disaster-related laws, saying: "If no action can be taken because we are bound by laws formulated in normal times, then there must be something wrong with the laws."

Another 500-character item carried by SANKEI on the same page reports that on 18 January, Takeo Nishioka, overall liaison officer (chief cabinet secretary of the shadow cabinet) of New Frontier Party [NFP], asked the government, through Chief Cabinet Secretary Kozo Igarashi, to take all possible steps to help the earthquake victims. He stated that NFP would question the government on the delay in dispatching the Self-Defense Forces (SDF) for disaster relief and other shortcomings in the administration's crisis management in the regular Diet session, and might even push for emergency legislation to deal with the situation.

On the evening of 18 January, NFP President Toshiki Kaifu, after inspecting the earthquake sites, also mentioned his plan to move for a Diet resolution.

Tokyo TOKYO SHIMBUN in Japanese in its 19 January Morning Edition on page 23 carries a 450-character report on a news conference held by Yokohama City Mayor Hidenobu Takahide on 18 January. Takahide termed the government's relief efforts "hopeless" because nothing was being done about the around 1,000 missing persons and several major fires.

Takahide also said, "The government should get in touch with the local governments and ask the other cities to help. Otherwise, there is no way to find out what the earthquake-affected areas need."

He also pointed out that, "The reason why the request for SDF assistance was delayed was because the command system in Kasumigaseki is ambiguous."

Tokyo MAINICHI SHIMBUN in Japanese also carries on page 2 of its 19 January Morning Edition a 1,100-character report on criticism of the government's delay in mobilizing the SDF for rescue operations. However, Director General Tokuichiro Tamazawa of the Defense Agency (DA) argued that, "[Under existing laws, the SDF] can only go into action upon the request of the local governments. After seeing the extent of the disaster, we were ready to move. If the request had come earlier, we could have started operations earlier."

According to this report, the government's emergency headquarters formed at 1000 of 17 January "is not in control of actual operations as the 'command tower.' Rescue operations by the SDF and the firefighters are only being reported to the headquarters after they have taken place."

Another 900-character report carried on page 2 of Tokyo MAINICHI SHIMBUN in Japanese 20 January Evening Edition also mentions criticism of the government's relief efforts, particularly "the delay in dispatching the

SDF" and the "inadequate commodity supply system." The report points out that an operations manual, such as the "Tokai Manual," does not exist for the Kansai area.

The report further says that conflict has arisen between Nobuo Ishihara, deputy chief cabinet secretary, who claimed on 19 January that "the delay in taking action should be subject for some soul searching," and the DA, which argued, "Dispatching the SDF before a request comes (from the local government at the prefectural level) would not be effective."

A 500-character report carried by NIHON KEIZAI SHIMBUN on page 1 of its 20 January Evening Edition says NFP lower house member Toshihiro Nikai questioned the national government at the Diet session on the morning of 20 January for not requesting the assistance of local governments nationwide immediately after the Hyogo earthquake. Prime Minister Tomiichi Murayama admitted there were inadequacies in how the situation was handled. He said, "Looking back, I think there was some confusion because we never had such an experience and it happened early in the morning."

Tokyo NIHON KEIZAI SHIMBUN in Japanese, on page 5 of its 21 January Morning Edition, carries a 450-character report on popular criticism of the National Land Agency (NLA) for its slow response to the earthquake disaster. The report reviews confusion within the agency over the 20 January remarks by cabinet ministers, such as Chief Cabinet Secretary Kozo Igarashi and International Trade and Industry Minister Ryutaro Hashimoto, proposing the government should designate Hyogo Prefecture as a quake-stricken area in a 20 January cabinet meeting so that special and preferential measures will be applied to the area. However, the NLA showed disapproval of this idea, noting the need to follow necessary procedures for the designation. The report concludes by saying: "There is mounting criticism that the NLA adheres too closely to procedures."

Tokyo ASAHI SHIMBUN in Japanese, on page 2 of its 21 January Morning Edition, carries a 150-character report on critical remarks by Japan Communist Party Chairman Tetsuzo Fuwa concerning the government's crisis management. The report quotes Fuwa as saying at a 20 January party meeting: "In 1970, seismologists warned that the Kansai District was an area with potential danger of earthquakes. However, the quake observation system for the area compares poorly with that for the Tokyo District. A twist in Japanese politics, which gives priority to the Japan-U.S. security arrangements and large-sized corporations, is seriously reflected in the government's inappropriate measures to cope with the disaster."

A 1,100-character report carried by Tokyo YOMIURI SHIMBUN on page 5 of its 21 January Morning Edition reviews the 20 January Diet session, where the opposition New Frontier Party (NFP) proposed suspending for 10 days the just-opened Diet session to concentrate on rescue and reconstruction measures for the quake-stricken area, but the ruling coalition rejected it. NFP Policy Research Council Chairman Yuzo Ichikawa rebuts the allegation that NFP aims to delay Diet debate on fiscal 1995 budget by making such a proposal. The report quotes him as saying: "The proposal has nothing to do with bargaining between the ruling and opposition parties." However, many coalition members believe the NFP proposal is aimed at delaying budgetary debate, the report says. It quotes a senior Liberal Democratic Party official as saying: "This is just a performance to attract public attention to NFP."

Opposition Criticizes Tokyo's Relief Efforts

OW2301051395 Tokyo KYODO in English 0429 GMT 23 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 23 KYODO—The major opposition party criticized the coalition government on Monday [23 January] for delays in dealing with the earthquake that destroyed parts of western Japan last Tuesday.

At the outset of debate in the 150-day ordinary Diet session, Toshiki Kaifu, head of Shinshinto [Japan Frontier Party], said the government had shown shortcomings in it ability to handle crises.

Kaifu, a former prime minister, referred to delays in deployment of the Self-Defense Forces (SDF) for rescue work to Kobe and other quake-hit areas.

He also questioned the government of Prime Minister Tomiichi Murayama about financial and other measures to be taken to rebuild the devastated cities.

Kaifu, however, pledged his party will cooperate with the government in all ways possible in dealing with the disaster.

Political sources said Kaifu's interpellations sounded as if he was delivering a policy speech as the "prime minister" of Shinshinto's shadow cabinet, as he asked few questions requiring an answer from Murayama and other cabinet ministers.

The Diet session convened Friday mainly to discuss the fiscal 1995 budget. Murayama told the Diet on Friday there was some "confusion" in his government's crisis management following the earthquake.

The three ruling parties agreed Monday morning to hold intensive debates on the disaster at Thursday's House of Representative Budget Committee session and submitted the proposal to the opposition camp, coalition sources said.

The government is considering submitting an extra budget to deal with the quake to the Diet, they said.

Shinshinto decided to ask the Diet to hold such intensive discussions for a day or two before the lower house Budget Committee begins general debates on Thursday, opposition sources said.

Shinshinto was formed in December upon the merger of most of the opposition forces, except the Japanese Communist Party, and the current Diet session is the first for the new party.

NFP's Hata Comments

OW2301091295 Tokyo MAINICHI SHIMBUN in Japanese 23 Jan 95 Morning Edition p 2

[FBIS Translated Text] In a lecture to a gathering in Miyagi Prefecture on 22 January, Tsutomu Hata, vice president of the New Frontier Party [NFP], criticized the government's way of dealing with the aftermath of the big earthquake in southern Hyogo Prefecture, saying: "I cannot understand why the government could not deal more quickly and appropriately with the aftermath of the big earthquake. If the government had dealt correctly with the aftermath immediately after the big earthquake, 100 to 500 lives would have have been saved."

Vice Minister Admits Government's Slow Reponse

OW2301130595 Tokyo NHK General Television Network in Japanese 1000 GMT 23 Jan 95

[Announcer-read report; from the "NHK News" program]

[FBIS Translated Text] Kunihiko Saito, administrative vice minister of foreign affairs, in a news conference this evening, admitted that the government was not necessarily consistent about responding promptly to foreign aid toward Hyogo earthquake victims. He then indicated the government plans to improve its way of receiving such aid, saying that this is now an issue which should be studied when the nation as a whole is in the process of dealing with disasters.

Government Plans To Improve Emergency Response

OW2301135595 Tokyo KYODO in English 1218 GMT 23 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 23 KYODO—The government is planning to swiftly establish a legal basis to facilitate the reconstruction of quake-hit areas in and around Kobe and to thoroughly review existing disaster measures, officials said Monday [23 January].

In addition, the capacity of the staff at the prime minister's official residence to deal with emergencies will be strengthened, the officials said.

The government will give top priority to passing a supplementary budget for fiscal 1994, probably as early as February, to fund the construction of temporary houses for thousands of people who lost their homes in the quake last Tuesday and to restore the region's badly affected infrastructure.

A special law for the reconstruction of Kobe and its surroundings might be set up, the officials said.

Since large funds and considerable time will be necessary to restore the once elegant city's lifelines, the government is considering setting up a special organization to handle the huge reconstruction task.

The officials said personal ownership of land might have to be strictly limited to ensure quick and smooth city planning of areas that were leveled by the quake, which registered 7.2 on the Richter scale.

In order to raise the huge funds needed for reconstruction work, the government is considering issuing new government bonds and low-interest loans from government-affiliated financial institutions.

A major task will be to review the nation's basic disaster plan, which saw its last overhaul more than 20 years ago in 1971, the officials said.

The revision will focus on how to respond to a powerful earthquake in a big city. The Kobe quake was the worst to hit Japan in 70 years in terms of casualties.

Among the problems to address are improvement of fire prevention and firefighting, as well as increased storage of emergency provisions.

Past plans to strengthen the effectiveness of the prime minister's staff aimed at improving the capacity of the councilors' offices on internal and external affairs as well as the security affairs office.

More emphasis will be placed on "information gathering and improved preparedness for disasters," Chief Cabinet Secretary Kozo Igarashi said.

BOJ To Help With Quake-Hit Areas

OW2301051195 Tokyo KYODO in English 0247 GMT 23 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 23 KYODO—Bank of Japan [BOJ] Governor Yasuo Matsushita said Monday [23 January] the central bank will take appropriate action to secure financing for areas in western Japan damaged by last Tuesday's quake.

Matsushita said the central bank has taken necessary financial measures in cooperation with the Finance Ministry and will continue the policy in an "appropriate" manner.

On economic conditions, Matsushita reiterated his previous position that Japan's economy is recovering moderately.

Matsushita made the comments in an opening address at a two-day quarterly meeting of the central bank's branch managers and overseas representatives.

On credit policy, Matsushita said the central bank will keep the present soft monetary stance and continue watching economic and financial developments.

Matsushita said the BOJ is still studying the impact of the quake on the economy.

Regarding the country's economic recovery, Matsushita cited steady investment in public works and housing, moderately recovering private consumption, and signs of the downtrend in corporate capital investment coming to a halt.

Corporate earnings have improved, notably in the manufacturing sector, and their confidence has accordingly turned for the better as industrial production seems to have increased in the October-December period for the fourth straight quarter, Matsushita said. But he added the pace of economic recovery is more moderate than in the past and companies remain cautious about their outlook.

Matsushita attributed the slower recovery mainly to structural impediments such as pressure on more sophisticated industrial structures amid growing competition with Asian nations and incomplete disposal of nonperforming debts by financial institutions.

On monetary conditions, Matsushita said long-term interest rates have moved narrowly amid concern about excessive rises so far, while short-term interest rates have stabilized.

For financial systems, Matsushita said the central bank will tackle bad debts for earlier disposal.

The BOJ will take appropriate measures to achieve its role to stabilize financial systems, giving full consideration to the problem of "moral hazard," he said.

Quake Victims Not Protected by Insurance System

OW2301071795 Tokyo KYODO in English 0518 GMT 23 Jan 95

[By Keiko Tatsuta]

[FBIS Transcribed Text] Tokyo, Jan. 23 KYODO—The latest earthquake is proving afresh Japan's insurance system does not protect policyholders from major natural disasters.

In the well-known land of earthquakes, nonlife insurance companies hold an escape clause on their fire insurance contracts, which exempts them from paying for fire damage caused by earthquakes.

"There is a rider for quakes on fire insurance for companies, but payments are quite limited," one official of a nonlife insurance firm explained.

Because these fire insurance policies have narrow coverage and high premiums, only a few corporations buy them. Consequently, most companies suffering damage from the strong quake in western Japan have to rebuild themselves at their own expense.

Among them are leading manufacturers such as Kobe Steel Ltd., Kawasaki Heavy Industries Ltd. and Mitsubishi Electric Corp., whose production facilities in the region came to a standstill for some time, affecting production elsewhere in Japan and overseas as well.

Nonlife insurers provide companies with 5 percent of the contracted fire insurance coverage, up to a maximum of 3 million yen, for companies hit by quakes to meet immediate expenses, the official said. He added the money is not insurance for quake damage.

For individuals with a view of helping stabilize national life, the government introduced an earthquake insurance system in 1966, under which insurers underwrite quake insurance on top of fire insurance for private residences and the government reinsures by bearing 50 percent of a total insurance over 66 billion yen up to 336 billion yen and 95 percent up to 1.8 trillion yen.

However, only 7.2 percent of households in Japan have earthquake insurance because premiums are so high and compensation is limited to a maximum of 10 million yen for buildings and 5 million yen for household items.

In Hyogo Prefecture, which was hardest hit by the quake, only 3 percent of the households carry earthquake insurance.

The government's earthquake reinsurance special account, which is almost 30-years-old, has never been used, spoiling the scheme that secures huge insurance money beyond nonlife insurance firms' solvency to the extent of similar damage from the 1923 great Kanto earthquake, in which more than 142,000 people were killed or went missing and about 576,000 buildings were damaged.

Those affected by last Tuesday's quake, which killed nearly 5,000 people and destroyed more than 50,000 buildings, will not receive much help from the Japanese insurance system.

Furthermore, lack of fair competition and foreign access to the country's insurance market, gives the Japanese little choice in products, services and prices.

Calling for liberalization of the market, the United States has criticized that when all products are uniform, the ability of creative risk management consultants to operate effectively is restricted.

The current Japanese system represents the interest of insurance underwriters and not that of consumers, the U.S. Trade Representative's Office said in a report on foreign trade barriers.

"This time, earthquake insurance money will be no doubt surpass the previous record of 1.2 billion yen paid for damage caused by last October's quake off eastern Hokkaido," said a spokesman of the Marine and Fire Insurance Association of Japan.

The spokesman expects, however, it will not top 570 billion yen paid by Japanese nonlife insurers for damages caused by 19th typhoon in 1991, the record insurance amount for natural disaster.

According to the association, earthquake insurance policies in Hyogo Prefecture total 57,573 and cover a maximum of 274.75 billion yen in damages caused by quakes, eruptions and tsunami.

However, it is not yet known how many will apply to collect, the spokesman said.

Claude Bebear, chairman of French-based insurer Axa Group, said the cost to Japanese nonlife insurers for the latest quake is estimated at 5 billion yen. Bebear was in Tokyo to hold a press conference on the group's fully owned insurance subsidiary, which will start operation in Japan on April 1.

Hoping for further deregulation in Japan's insurance market for development of new product lines, Bebear said, "we try to introduce innovation here."

Twelve victims of earthquake in July 1993 off southwestern Hokkaido brought a lawsuit last April against Yasuda Fire and Marine Insurance Co. for insurance payment worth 112.5 million yen, claiming that the company ought to pay insurance for their houses totally destroyed by fire of which the cause remains unknown.

Yasuda was said to be rejecting insurance payment on ground of its escape clause for fire caused by quakes.

The plaintiffs have complained that such an escape clause remarkably disadvantageous to policyholders is irrational.

There may be renewed calls growing for drastic review of the current systems of earthquake and fire insurance in Japan.

Tokyo Cautious in Accepting Foreign Doctors

OW2301071495 Tokyo KYODO in English 0521 GMT 23 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 23 KYODO—Japan is cautious to accept doctors from foreign countries for the victims of the destructive earthquake in western Japan last week, a government spokesman said Monday [23 January].

Chief Cabinet Secretary Kozo Igarashi cited the regulations of the medical practioners law at a news conference. Foreign doctors' medical practice in Japan is restricted by the law.

But Igarashi also said Tokyo will ask for foreign governments' dispatch of doctors "when necessary" to help its rescue operations following the shock that devastated the major port city of Kobe and killed nearly 5,000 people.

The government will take necessary steps in compliance with the requests from local governments in the quake-stricken region, Igarashi said.

NFP Proposes Delaying Debates To Deal With Quake

OW2001103995 Tokyo KYODO in English 0948 GMT 20 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 20 KYODO—The opposition Shinshinto (New Frontier Party: NFP) on Friday [20 January] proposed postponing debates at the just-opened Diet session to concentrate on the catastrophe in western Japan, where an earthquake claimed the lives of over 4,300 people.

Shinshinto urged House of Representatives speaker Takako Doi to suspend for 10 days the ordinary Diet session, which convened Friday.

The opposition party also called for a meeting of the heads of the parties to discuss rescue and reconstruction measures following Japan's most deadly earthquake in over 70 years, which slammed the western Japanese region of Kansai on Tuesday.

Murayama Rejects NFP Call

OW2001164495 Tokyo KYODO in English 1543 GMT 20 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 20 KYODO—The ruling camp on Friday [20 January] rejected a proposal from the opposition alliance Shinshinto (New Frontier Party) that the Diet suspend debate to deal with Tuesday's deadly earthquake in western Japan, ruling coalition officials said.

Shinshinto leader Toshiki Kaifu made the proposal when he paid a call on Prime Minister Tomiichi Murayama at the premier's official residence earlier in the day.

Kaifu urged Murayama to postpone full-scale Diet debate, scheduled to begin next week, until the end of this month.

Murayama expressed some understanding for the suggestion, but decided to refuse it after discussing with other ruling coalition leaders on the grounds that Diet schedules have already been set.

Deputy Chief Cabinet Secretary Hiroyuki Sonoda conveyed the rejection to Shinshinto.

Kaifu also asked Murayama to set up a new headquarters to tackle the disaster, but the premier also refused this request, saying the current system has worked effectively.

Yuichi Ichikawa, a senior executive of Shinshinto, criticized the rejection, saying the coalition government "lacks seriousness." Shinshinto, however, will follow the Diet schedules, he said.

The proposals from Shinshinto, the outcome of a merger last month of major noncommunist opposition forces, came on the opening day of a 150-day regular Diet session.

Kaifu, a former prime minister, told Murayama that the government should do the work of rehabilitating the quake-stricken areas chiefly in Hyogo Prefecture "as if the cabinet were moved there," Sonoda said.

The devastating quake measured magnitude 7.2 on the Richter Scale and left more than 5,000 people dead or missing.

Editorial Assesses Murayama's Policy Speech

OW2301014995 Tokyo YOMIURI SHIMBUN in Japanese 21 Jan 95 Morning Edition p 3

[Editorial: "Prime Minister's Policy Speech Fails To Address Important Issues"]

[FBIS Translated Text] The number of deaths from the earthquake that hit the southern part of Hyogo Prefecture has exceeded 4,000, the largest deathtoll since the Great Kanto Earthquake [in 1923]. In his policy speech to the 132d ordinary Diet session that opened on 20 January, Prime Minister Tomiichi Murayama announced the government would make all-out efforts to rescue missing people and restore quake-hit areas.

Not only the government but also the ruling and opposition parties should urgently take all possible measures to help people in the quake-stricken areas. They should also thoroughly discuss ways to improve the crisis control system; preventive measures against earthquake disasters; and the issue of how to finance rehabilitation work.

A policy speech is supposed to clarify the government's policies on various issues and its management of national politics. Thus, it is unavoidable that it tends to become an across-the-board speech. There are not many points in Murayama's policy speech to which we can give high marks, except for his resolve to tackle administrative reform. We did not feel a "political will" to present policy priorities to the people and seek public understanding.

Concerning administrative reform, Murayama said: "I intend to work courageously and unrelentingly for substantive reform so that we have reform not just in words but in fact." He declared the government would abolish or consolidate special public corporations in efforts to streamline them.

The reform of special public corporations will influence the fate of the Murayama government. The government will be criticized unless it completes reform. Murayama cannot back down from reform efforts now that he has declared his resolve to tackle it in his speech.

Nevertheless, it has already been predicted that although the government plans to work out reform measures by 10 February, it will postpone this because the ministers are busy dealing with the quake disaster. It is also expected that relevant government offices will oppose the streamlining of special public corporations. We should not allow the government to delay reform efforts by using the disaster as an excuse.

Except for his resolve to tackle administrative reform, Murayama's policy speech leaves the impression that he merely listed government policies on individual issues. But this is not the only problem we see in his speech. He failed to address very important political issues.

For example, he made no mention of Japan's bid to become a permanent member of the UN Security Council [UNSC]. He only said in vague terms: "Japan will actively take part in discussions on UN reform."

It appears Murayama did not touch on the issue because "the matter was to be addressed in a foreign policy speech by Foreign Minister Yohei Kono." But this is like putting the cart before the horse. Seeking a UNSC permanent seat is an important issue that will influence the future of Japan. The prime minister needs to repeatedly indicate Japan's will to become a permanent member, clarify reasons for the bid, and seek public understanding. Such acts could also serve as a message to foreign countries.

Equally important is Japan's participation in efforts to help the DPRK (North Korea) replace its graphite-moderated reactors with light-water models. In the recent Japan-U.S. summit, Murayama pledged Japan's financial assistance, saying: "Japan intends to assume a significant role in financing the aid plan." However, he made no mention of the issue in his policy speech.

This seems to be out of consideration for some Liberal Democratic Party members who are opposed to Japan's participation in the project. But the government needs to seek public understanding of the plan for Japan to give financial aid to the project because it is expected to cost an enormous amount of money. It needs to give a sufficient explanation of the plan.

Murayama said: "An earnest policy debate is needed more now than before." However, if the Diet does not conduct serious policy discussions, it will have no reason for existing.

Unified local elections and the House of Councillors elections are scheduled this year. Depending on the political situation, the House of Representatives elections may also be held under a new electoral system. Each political party has the responsibility to clarify policy priorities so that the people will be able to judge what is important. We hope the current Diet session will serve as a starting point for invigorating the Diet debate.

Stronger Cabinet Not To Impede Decentralization

OW2301051795 Tokyo KYODO in English 0403 GMT 23 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 23 KYODO—A plan to strengthen the functions of the cabinet will not impede efforts to shift power and authorities from the central to local governments, the chief government spokesman said Monday [23 January].

"Decentralization is the main pillar of political reform efforts of this cabinet. This stance remains unchanged at all," Chief Cabinet Secretary Kozo Igarashi said at a news conference.

The plan to beef up the functions of the cabinet gathered renewed momentum after last week's massive earthquake that struck western Japan devastating the major port city of Kobe and leaving some 5,000 people dead.

Calls are strident on the cabinet to be better equipped with the ability to collect information in cases of emergency, including the visitation of natural calamities like the latest killer quake.

Igarashi said the scheme to strengthen the cabinet's overall functions has been under consideration since last year, with the government planning to send fact-finding missions after April to the United States, Germany, France and Britain.

The plan to beef up the functions of the cabinet "naturally covers how to cope with natural disasters, too," he said, adding the government hopes to achieve its goal as quickly as possible.

* Yuriko Koike on Ozawa, Policy of New Party

952B0054A Tokyo GENDAI in Japanese Dec 94 pp 112-113

[Interview with Japan New Party deputy representative Yuriko Koike by Kazuyuki Kanamori, place and date not given: "To Transcend Personal Tastes and Support Ozawa as Party Head"]

[FBIS Translated Text] [Kanamori] A convention to form the new party will be held on 10 December, but the vital selection of a party head has rough going, has it not, with such things as Chairman Takashi Yonezawa of the Japan Democratic Socialist Party placing the condition that "it would be strange if the positions of both party head and secretary general were occupied by members of the group that bolted the Liberal Democratic Party."

[Koike] Attention is bound to be paid to appointments, but I think we should first concentrate on what kind of new party to build. The convention to form the new party is a kind of ceremony, so it would be fine, would it not, even if we select the party head in a leisure manner after the convention.

[Kanamori] When you say: "in a leisure manner," about how long a time are you estimating?

[Koike] The party head will be the candidate for prime minister, so it is necessary to decide before the election.

[Kanamori] If the bill for drawing up the single-seat election districts becomes law, there is no telling when the Diet will be dissolved. You cannot prepare in such a leisure manner, can you?

[Koike] When we look at the present governing parties, it is doubtful whether there even truly exists someone who can be called "a leader," so I think there is no need for us to decide helter-skelter.

[Kanamori] When it is a matter of the party head being the candidate for prime minister, what kind of conditions would there be for the person who would be appropriate for that?

[Koike] It would be my personal opinion, but the first would probably be leadership. I think it is already no longer an era of consensus, it is an era when what is required is conviction, that is, a person who can persuade. Is not the type of leader we should have in an information society precisely a person who does not go along with the tide, but who can transmit ideas and policies properly? In that sense, I personally think it would be good if (Shinseito Secretary General Ichiro) Ozawa became the party head. For one thing, there would also probably be no criticism of dual power if Ozawa became the head of the party.

[Kanamori] At first you, yourself, must have had an aversion to Ozawa. Would you comment on that?

[Koike] That is true. At the time of the Hosokawa government there were instances when I was forced to consult with him and reacted against his high-handed methods. But when I assumed the office of deputy party representative it became a situation in which I had to attend all sorts of preliminary arrangements, and the result of having more opportunities to meet with Ozawa was that I learned that, unlike the rumors, Ozawa is a person who listens thoroughly to what people have to say. I realized that, up till then, I had drawn Ozawa's image by information in the mass media and by Nagatacho information which amplified that still further. Well, if I dismiss what is my personal tastes, we are very close in terms of policy. I came to think that, after all, I must not conduct politics by my personal tastes; I must act by conviction and policy. I am now serving as chair of the New Party Preparatory Council's Publicity Activities Committee, and tearing down the wall of Ozawa's negative image is very satisfying work.

[Kanamori] What part of Ozawa will you project?

[Koike] Policy, as might be expected. His character itself will not change that much, and it would be improper to change it unreasonably. Even if one resorted to petty tricks, it would soon be seen through in today's television society. I also doubt the wisdom of assuming a threatening attitude when criticized, but there are also examples like Seiko Matsuda. (laughs)

Probing Into the Murayama "Excuse Government"

[Kanamori] When you look at the Budget Committee, it appears that the side of the former coalition was "giving low priority" to policy and doing nothing but probing into scandals. Would you comment on that?

[Koike] That alternative has aspects that are easy to understand. After all, even (former prime minister Morihiro) Hosokawa was probed on the question of NTT stock and was made to prove his innocence by resigning. It is the same as that; is it all right to let go of the fact that the wife of Prime Minister (Tomiichi) Murayama owns stock of "Heiwa," a manufacturer of pachinko machines? For all one knows, it may be the kind of big problem that was seen in both the Recruit Scandal and the suspicions about North Korea (Democratic People's Republic of Korea). But the stage for the war of words shifted to each committee, so in the future we will go on probing on the policy side just how much of an "excuse government" the present government is, and just how much of a "double-standard government" it is.

[Kanamori] What kind of thing, for example?

[Koike] In regard to becoming a permanent member of the UN Security Council, there is the problem that, when we took Foreign Minister (Yohei) Kono's UN speech to be the announcement of Japan's candidacy, he later revised it, saying "that is not the case." Moreover, there are such problems as that, increasing the consumption tax rate to 5 percent was part of a package deal with administrative reform, but no concrete plan at all has appeared; I think there is no lack of material to attack.

[Kanamori] Incidentally, in spite of the fact that Hosokawa was also a candidate for party head for a time, lately one does not even hear his name.

[Koike] He himself says he is "on sabbatical now." That means a time for charging one's batteries, but many persons in the Diet do not know this word, and before one noticed, it ended up changing into "sabotage." (laughs) It may be better not to use refined language in Nagata-cho.

Journalist Calls For 'Dismantling' MOF

OW2301134595 Tokyo EKONOMISUTO in Japanese 3, 10 Jan 95 pp 50-53

[Article by journalist Sakae Kitazawa: "Japan's Finance Ministry Should Be Dismantled"]

[FBIS Translated Text]

"Ministry of Finance [MOF] Empire"

Discussion centering on administrative reform has been going on. Yet the fact that Japan's MOF possesses exceedingly strong authority, in comparison with other advanced countries' public finance authorities, is surprisingly not well known. For the present, the Murayama government is aiming at the objective of administrative reform involving abolition or privatization of special corporations and deregulation. But it is inevitable that full-scale discussion will be extended sooner or later to the integration and dismantling of ministries and agencies. When that occurs, the dismantling and reorganization of the MOF, the "government office of government offices" in Japan's centralized power structure, will necessarily become the greatest focal point. I think there is a substantial significance in my reporting here the actual situation of the MOF's excessive authority—compared to other countries.

The reason the authority of the Japanese MOF is excessively strong is that it has strong power over all financial and monetary matters—it controls the "roots" and the "flow" of public funds and private funds. It has in its hands not only the "out (budget)" and the "in (taxes)" of finance. It also has tremendous power as the manager of "public funds"—huge amounts of the peoples' money in such forms as postal savings, postal life insurance, annuities, and so on. The actual situation involving the use of these funds is shrouded in mystery. But its history begins with the secret fund of the pre-war MOF Savings Department. In the government's August 1992 comprehensive economic counter measures, the framework for the use of funds to prop up the price of stocks was approved, and in 1993 public funds in the amount of Y2.8 trillion per year were used for "PKO" operations to support declining stock prices. The contents of this "PKO" operation have not yet been publicly disclosed and are still unclear.

Also, as for finance (distribution of money), the MOF has supervisory authority over the financial organizations, including the Bank of Japan [BOJ]. Retired MOF administrative vice ministers and career BOJ officers take turns becoming the BOJ president. In addition, the Minister of Finance appoints and dismisses BOJ officers such as directors (currently seven people). The securities industry is also under MOF control. In fact, the position of chief director of the Tokyo Securities Exchange has been monopolized by retired MOF officials since the fifth chief director, who took over the post in 1967, until the current incumbent, who is the ninth. Even nine of the successive 14 chairmen of the Fair Trade Commission, including the current chairman, who should be the "keepers of free economic competition" have been former MOF officials. The power of the MOF stands out when it is compared to that of its counterparts in other countries. It is rather appropriate when Japan is called the "MOF Empire" or the "MOF Family Nation."

In the United States, Franklin D. Roosevelt conducted September 1939 administrative reforms, which reduced the power of the Department of Treasury. That action gave the President "comprehensive political power" when he faced the crisis of war. This administrative reform is known as Presidential Administrative Order No. 8248, and its most important feature is establishment of the Office of the President. As a result, 1) the Bureau of Budget was detached from the Department of Treasury, transferred to the Office of the President, and thus came under the direct control of President, and 2) the number of advisors was greatly increased and the President's ability to exercise control strengthened. By this action, President Roosevelt was able to demonstrate strong political leadership during the Second World War. Further reorganization and strengthening occurred in the 1970's during the Nixon administration, when the Office of Management and Budget (OMB) was created. Consequently, the U.S. president's political functions were expanded further. A function which could be likened to that of a combined MOF Budget Bureau and Management and Coordination Agency was created in the Office of the President.

Administrative Power Is Far More Dispersed in U.S.

The fact that the U.S. president has strong political power and can utilize it effectively, especially during emergencies, derives largely from the fact that the OMB comes directly under the Office of the President. The function of the Japanese MOF, on the other hand, has become stronger, experiencing no fundamental changes, from the pre-war era to the post-war era.

Soon after the end of the war, when the General Headquarters [during the period of U.S. occupation] also attempted administrative and public finance reforms, the MOF was left untouched. As a result, the MOF has come to demonstrate unparalleled power amongst the government offices. While bureaucratic machinery has been growing larger and larger, partly due to the political vacuum, the protruding figure of the MOF also shows up in the quality and quantities of post-retirement positions for MOF officials. The MOF leads in number of retiring officials who find official positions in the 92 special corporations and listed enterprises.

Let us continue the comparison with the U.S. Treasury Department. As I mentioned earlier, the OMB in the Office of the President holds the authority for budget making and execution. As for other important functions, the levying and collection of taxes, the planning of the tax system, and the issuance of national bonds, the MOF and the Treasury Department carry them out in Japan and in the United States, respectively.

But when it comes to jurisdiction for the supervision of banks and securities, the determination of accounting standards, and so on, the United States and Japan differ a great deal. In Japan, the MOF takes the leadership in the supervision and guidance of banks. Naturally, the BOJ, which is the central bank, participates. But MOF power is immense because of its supervision and command authority over the BOJ and because the finance minister appoints and dismisses BOJ officers.

As for savings insurance, which is applicable during a bank failure, in Japan the deposit insurance organization, over which the finance minister has supervising authority, handles it. In the United States, however, the FDIC (Federal Deposit Insurance Corporation), which is an independent administrative organization, handles it. Also, as for the supervision of securities, in Japan, the MOF Securities Bureau normally has responsibility, and the Monitoring Commission on Securities Trade and others, which monitor illegal activities such as insider trading, is under the finance minister's supervisory authority. In the United States, it is handled by the independent administrative organization SEC (Securities and Exchange Commission) and state securities bureaus. As for the determination of accounting standards, in Japan, the MOF carries out the work, which even includes business accounting. Moreover, certified public accountants who do auditing come under the MOF's supervision. In the United states, SEC handles business accounting and the IRS (Internal Revenue Service - a part of the Treasury Department but largely autonomous) handles tax accounting. In practice, the SEC delegates the determination of the accounting standards to private organizations.

On the other hand, the situations in Great Britain, Germany, and France is that the Finance Ministry is excluded from having any authority in the supervision of banks and securities and the determination of business accounting standards. An especially conspicuous case of autonomy is the supervision of banks in Germany. The Federal Bank Supervisory Bureau - which is a federal government office, and autonomous from the Finance Ministry - has the power to grant or cancel permits and to conduct inspections. In addition, the Bundesbank (German Federal Bank) - the central bank - has the authority to collect material and reports independently. Also, independency is guaranteed by law for the Bundesbank itself. And in cases where the federal government disagrees with the Bank's management of the official rate, for instance, the only action the government can take is to ask for a postponement of the decision for a maximum of two weeks.

In other words, the following characteristics come to light when doing a comparison with other developed countries. 1) Japanese MOF power is abnormally greater than that in other advanced countries'. 2) The Finance Ministries of the European countries of Britain, Germany, and France also have the combined functions of the Budget Bureau, Tax Bureau, and Customs and Tariff Bureau as does the Japanese MOF. But on the other hand, these three countries' Finance Ministries do not have authority in the areas of supervision of banks and securities and the determination of business accounting standards. 3) In the United States, the Treasury Department's authority, which is the equivalent of Japan's MOF, is much more restricted than other countries, and the dispersion of administrative power, or democratization, is most advanced.

People Suffer From Disadvantages

There are great drawbacks from such a concentration of power in Japan's MOF regarding actual business. Because it holds taxation and budget in one hand, the weight of public finance policy tends to be placed on the balancing of expenditures and revenues; so it tends to be inflexible. As a result, while wasteful expenditures may be tolerated, necessary expenditures tend to be held back. Because public finance spending and tax revenues are concentrated in one authority, the free speech and character of the people and of the industrial sector can be restrained.

Also, because the MOF seeks to have balanced expenditures and revenue, the public finance scale tends to increase, and public finance policy swings toward "big government." In the bank, security, and insurance industry fields, due to the protection of the industry - in other words restricted competition - the users sustain disadvantages. That is because the government pays close attention to "industry administration" for the protection of the industry rather than "market administration," which it should be doing. This "convoy style" for the protection of the entire industry uses the "maintenance of trust and order" as a justification, and because it is fearful of losing that trust, it does not make disclosers and covers up the actual situation of financial crises. This has caused a delay in grasping and handling the actual situation of credits, has postponed solving the financial crisis, and is prolonging the recession. Also, the loss of the BOJ's autonomy has become one of the causes for the "excessive money supply," which triggered the bubble economy in the later half of the 1980's.

Administrative reform is the restructuring of administration aimed at "small government," and involves the "reduction of administrative authority," which is in the same vein as deregulation. Combined with promotion of the decentralization of power, it includes the need to scrap, reduce, and disperse the central government's concentration of power. To promote administrative reform that targets the reduction of MOF authority, it would be better to use the U.S. example as a good reference point, where administrative reform was carried out more thoroughly, than to use European countries.

Then, by what process is the U.S. budget actually made?

The U.S. budget is developed as the OMB, which has become independent from the Treasury Department and is directly under the Office of the President, adopts the President's policy goals and, after repeated conferences with each department and agency, makes up the presidential budget proposal. The OMB has about 600 staff members. Along with formulating the budget, it is given similar administrative management functions, such as deciding on staff numbers for each department and agency, as are given to Japan's Management and Coordination Agency. Its number of staff members is similar to the total for the MOF Accounting Bureau and three bureaus of the Management and Coordination Agency (Personnel Bureau, Administrative Management Bureau, and Administrative Inspection Bureau) (339 and 300 respectively). When the Presidential budget proposal is made, the Treasury Department, the CEA (Council of Economic Advisers), and National Security Council naturally play important roles. For example, the Treasury Department is charged with currency credit policy, national debt management, determination of a taxation plan, and so on.

The budget making process goes on as follows. Every year, from March to early May, each department and agency submits its request to the OMB. The OMB, in cooperation with the Treasury Department and the CEA, draws up an economic outlook and public finance outlook. The President confers with the OMB Director and the cabinet secretaries concerned on the outlook for the budget. In May, the OMB draws up an estimate of expenditures and revenue and explains to the President the public finance policy, budget size, and so on.

In June, the President consults with the OMB Director and others and decides on the general guidelines. The OMB shows each department and agency the general guidelines and presents the points for drawing up the budget proposal. From July through September, each department and agency draws up its budget estimate and submits it to the OMB. From September to November, the OMB makes an assessment of the budget, reexamines the economic outlook, and starts preparing the budget recommendation to the President.

Between December and January of the following year, the President studies the budget recommendation he has received from the OMB, and decides on the amount of the budget for each department and agency. The OMB communicates the President's decision to each department and agency. Each department and agency revises the budget proposal. The OMB draws up the budget message and budget document and the President approves it. In February, the President submit the budget message and the budget document to the Congress. Later in April, the President, taking such things as the state of the economy into consideration, amends the budget proposal, then resubmits it to Congress.

Elevate Parliamentary Ability as Well

Congress then immediately deliberates the budget bill submitted by the President in the Budget Committee, the Appropriations Committee, and so on in each house. It also requests the attendance of the OMB director, treasury secretary, and CEA chairman, and holds a special public hearing. What is notable in the deliberation process in Congress is that in April, the CBO (Congressional Budget Office), which was established in 1974, draws a separate budget bill from the President's budget bill and submits it to the Budget Committee.

This budget bill is used as the basic material for the first budget resolution in the Congress. In other words, the Congress, on the basis of the President's budget bill, combines the CBO budget proposal with it and draws up a Congressional "appropriation budget" bill. This will then be deliberated, adjusted, and adopted in the House and the Senate respectively. Compared to Japan, the role Congress plays in the formation of the budget is substantially greater.

Hence, if we are to realize administrative reform by detaching the Budget Bureau from MOF and moving it to the Cabinet, then, the need will arise to strengthen the deliberation and decision making functions of the parliament—in terms of the overall system—at the same time. For administrative reform, the "reduction of authority by the administration" has to be backed by an "increase of parliamentary capability."

North Korea

IAEA Delegation Arrives in Pyongyang for Talks

SK2101131895 Pyongyang Korean Central Broadcasting Network in Korean 1305 GMT 21 Jan 95

[FBIS Translated Text] An International Atomic Energy Agency [IAEA] delegation has arrived in Pyongyang today by airplane for the second round of negotiations to discuss the issues pertaining to the freezing of nuclear facilities in accordance with the DPRK-U.S. framework agreement.

KCNA Reports Delegates' Arrival

SK2101154295 Pyongyang KCNA in English 1527 GMT 21 Jan 95

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA)—The second negotiating delegation of the International Atomic Energy Agency [IAEA] arrived in Pyongyang on January 21 by air to discuss matters related to the freezing of the nuclear facilities, pursuant to the agreed framework between the DPRK and the United States.

The first negotiations took place in November last year.

At that time the delegation of the IAEA visited Yongbyon and Taechon, confirmed that the nuclear facilities had been frozen and construction had been stopped as stipulated in the DPRK-U.S. agreed framework and reached a consensus in many issues.

Statement: Meeting With U.S. 'Constructive'

SK2301105395 Pyongyang KCNA in English 1046 GMT 23 Jan 95

["Press Statement on DPRK-U.S. Expert-Level Meeting"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 23 (KCNA)—A press statement regarding an expert-level meeting between the Democratic People's Republic of Korea and the United States was released here.

The statement dated January 21 says:

Pursuant to the agreed framework between the DPRK and the United States of October 21, 1994, experts from the DPRK and the U.S. had a second meeting in Pyongyang from January 18-20, 1995 to discuss the safe storage and ultimate disposition of the spent fuel discharged from the 5 megawatt experimental reactor power plant. The discussions were useful, constructive and resulted in significant progress.

Some of the DPRK and the U.S. experts are visiting the spent fuel storage basin at the Nyongbyon Centre for Atomic Energy Research to analyze the chemical composition of the water in that basin. It is expected that they will conclude their analysis on January 23 and these U.S. experts will leave the DPRK on January 24, 1995.

Paper Urges U.S. To Replace Armistice Agreement

SK2301050095 Pyongyang KCNA in English 0452 GMT 23 Jan 95

["Establishment of New Peace Mechanism Is Urgent"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 23 (KCNA)—The replacement of the Armistice Agreement with a peace agreement and establishment of a new peace mechanism brook no further delay, since the Armistice Agreement remains in name only, the armistice supervisory body has collapsed and the Military Armistice Commission can no longer exist on the Korean peninsula, declares MINJU CHOSON on Sunday.

The paper says in a by-lined article:

The replacement of the Korean Armistice Agreement with a peace agreement and establishment of a new peace mechanism are a very realistic and reasonable overture to preserve peace and security on the Korean peninsula.

The Korean Armistice Agreement signed in the 1950s is a temporary measure for suspending military actions between the hostile warring sides. This agreement has lost effect today due to its wanton violations by the United States, a signatory to the agreement.

Before the ink on the Korean Armistice Agreement was dry, the United States began to ship large quantities of mass-destruction weapons into South Korea. Today it is introducing and deploying sophisticated military equipment including new-type missiles.

The replacement of the Armistice Agreement with a peace agreement and establishment of a new peace mechanism are presented as a very reasonable and realistic matter by the status of the present system of the Armistice Agreement.

In March 1991, the United States seated a "general" of the South Korean Army, who had no legal justification and qualification in view of the Armistice Agreement, as senior member of the U.S. side to the Military Armistice Commission, thus divesting the armistice mechanism of its function.

Facts prove that only when the Armistice Agreement is replaced with a peace agreement and a new peace mechanism is established can military confrontation be removed and peace and security be ensured on the Korean peninsula.

The United States has no ground to turn down the DPRK's overture today when the framework agreement between the DPRK and the United States is in the course of implementation.

The United States must clearly know that unless the Armistice Agreement is replaced with a peace agreement and a new peace mechanism is established, the hostile relations between the two countries cannot be improved nor can genuine reconciliation be achieved.

The United States must respond without delay to our proposal for establishing a new peace mechanism, if its promise at talks and meetings with the DPRK is not a lie.

U.S. 'Warmaniacs' Berated for Aerial Exercise

SK2201101995 Pyongyang KCNA in English 1003 GMT 22 Jan 95

["Air War Exercise Against North Continued"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 22 (KCNA)—The U.S. imperialist warmaniacs mobilized more than 260 fighter planes of various types of U.S. Pacific Bases and the U.S. Seventh Airforce in South Korea and the South Korean puppet airforce to stage a war exercise against the North in the air above Oeyon Islet, Kongju and Pyongchang, South Korea, on January 20. According to military sources. [sentence as received]

At the same time, overseas-based KC-135 refuelling tanker refuelled about 30 fighter planes during the war exercise in the sky above the West Sea off Sosan.

This proves that the U.S. imperialists are fussing about peace and relaxation of tension on the Korean peninsula, but actually have a design for aggression against the North.

Paper Demands Nuclear States Abide by NPT

SK2201103695 Pyongyang KCNA in English 1016 GMT 22 Jan 95

["Nuclear Threat Must Be Removed Totally"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 22 (KCNA)—The nuclear-weapon states must accede to the people's demand for the elimination of nuclear weapons and for peace and take practical steps for nuclear disarmament, joining in the trend of the time towards detente, disarmament and peace, urges NODONG SINMUN today in a by-lined article.

The danger of a nuclear war has been further increased and the human cause of peace gravely threatened by the nuclear arms race of the nuclear-weapon states.

Nevertheless, the imperialists are trying to justify the tests and production of nuclear weapons, describing them as a "deterrent" to war. This is a trick to justify their nuclear armament and emasculate voices of the world people calling for the elimination of nuclear weapons.

The basic way of preventing a nuclear war is not to numerically expand nuclear weapons but to reduce them and, further, totally eliminate them. With nuclear weapons left on the globe, is it impossible to remove the danger of a nuclear war and extricate humankind from the constant nuclear threat.

What is important in the elimination of nuclear weapons is that the nuclear-weapon states, which pose a nuclear threat to other nations, set a timetable for the elimination of nuclear weapons and abide by it correctly. And they must faithfully discharge their obligation under the Nuclear Non-proliferation Treaty [NPT].

If the nuclear haves intend to remain outside the nuclear control, considering that the NPT is applicable only to nuclear have-nots, the danger of a nuclear war will never be removed.

This will only engender the compositive spirit of non-nuclear nations in possessing nuclear weapons.

The further the nuclear haves make the nuclear threat against other countries, accelerating nuclear arms buildup, the stronger the resistance.

Meetings Protest ROK Nuclear Waste Dump Site

SK2201103795 Pyongyang KCNA in English 1006 GMT 22 Jan 95

["Projected Construction of Nuclear Waste Dump Under Fire"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 22 (KCNA)—Meetings have been held in different parts of the North of Korea to denounce the South Korean puppet clique's scheme to construct a nuclear waste dump near the North.

At the meetings held in Pyoksong and Kangnyong Counties, South Hwanghae Province, the participants chanted slogans "We bitterly denounce the South Korean puppets' anti-national scheme to construct a nuclear waste dump in the sea Off the North!" and "Let us resolutely check the Kim Yong-sam group's criminal scheme to build a nuclear waste dump!"

These counties are situated near Kulop Islet, Tokjok-myon, Ongjin County, Kyonggi Province, which the South Korean puppets designated as the site of a nuclear waste dump.

The participants in the meetings condemned the criminal scheme of the South Korean puppets who are clean indifferent to the nation and international law, saying they cannot remain onlookers to the fact that if the islet is turned into a nuclear waste dump, it will do damage to the people of South Hwanghae Province adjacent to the islet.

They stressed that it is vital for the Korean nation to check the nuclear arms development and nuclear waste dumping by the Kim Yong- sam group and block the construction of the nuclear waste dump.

Paper: Globalization To Lead to 'National Ruin'

SK2301104495 Pyongyang KCNA in English 1035 GMT 23 Jan 95

["'Globalisation' in S. Korea Will Lead to National Ruin"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 23 (KCNA)—NODONG SINMUN today brands "globalisation" currently advertized by the traitor Kim Yong-sam as a doctrine against independence, democracy and reunification.

The news analyst says:

Judging from its background, the traitor Kim Yong-sam's slogan of "globalisation" is an offspring of the serious crisis of the rule of the "civilian government" and a pompous drama for bridging over the crisis by cheating the people and it is a slogan of national ruin in view of its nature and potential consequences.

The Kim Yong-sam group propped up its "government" by misleading the people with the advertisement of "civilian reform" in the first year of its office and the advertisement of "internationalisation" in its second year. But it can hardly bridge over the worst crisis ever since it took office with the advertisement of "reform" and "internationalisation" which went by the board. It was against this background that "globalisation" was invented.

Kim Yong-sam's "globalisation" is a treacherous doctrine against independence.

The Kim Yong-sam group argues that South Korea must fling open the door and carry out "globalisation" because the world is entering an "era of unlimited competition" and other countries are moving toward "opening."

Even if South Korea flings open the door, it has no political influence and economic potential to beat anyone in the world.

The criminal and dangerous nature of the "globalisation" campaign of the Kim Yong-sam group finds most glaring manifestation in its being designed to reduce South Korea to a borderless zone, an international market and a multinational colony and thus destroy the time-honored tradition of the Tangun nation, the spirit of national independence and the wealth and customs of the nation and turn South Korea into an alien land.

Kim Yong-sam's "globalisation" is an anti-democratic doctrine, a prelude to a new coup d'etat without a gun report and an anti-reunification logic for confrontation.

Under the cloak of "globalisation" Kim Yong-sam is reorganising the fascist ruling system and making politics more reactionary.

For our fellow countrymen nothing is more urgent today than national reconciliation, unity and reunification. With outcries for "globalisation" the Kim Yong-sam group places it above national reunification, which is vital to the nation, and even declares that national reunification is "the goal and means of globalisation." This means that it would put national reunification on the altar of "globalisation" and "unify the country by prevailing over communism" in order to exalt its "prestige" in the world.

"Globalisation" will only result in making South Korea more dependent on foreign forces, stifling democracy and laying a new hurdle in the way of reunification.

SKNDF Issues 'National Salvation' Appeal

SK2101052095 Pyongyang KCNA in English 0445 GMT 21 Jan 95

[FBIS Transcribed Text] Pyongyang, January 20 (KCNA)—The South Korean National Democratic Front [SKNDF] (Hanminjon) called upon all the people who love the country and the nation to courageously turn out in the struggle for reunification from the beginning of the new year under the banner of reunification in order to make 1995 a year of opening a decisive phase of national reunification.

This appeal was made in "Declaration on Reunification and National Salvation in 1995" which was published by the Central Committee of Hanminjon on January 16.

It sets the primary target, main task, fundamental starting point, program of action and practical goal for reunification and national salvation in 1995.

The five-point declaration says:

"1. The primary target for reunification and national salvation in 1995 is to remove the stumbling block in the way of peaceful reunification. Let us overthrow the Kim Yong-sam group which obstructs the reunification!"

"2. The important task for reunification and national salvation in 1995 is to pull down the barrier of division. Let us scrap the 'National Security Law' and pull down the concrete wall and replace the truce agreement with a peace agreement!"

"3. The fundamental starting point of reunification and national salvation in 1995 is to restore the sovereignty of the nation. Let us reject foreign domination and interference and achieve independent reunification!"

"4. The program of action for reunification and national salvation in 1995 is for national unity. Let us build an entity of great national unity!"

"5. The practical goal for reunification and national salvation in 1995 is to lay the foundation for reunification through confederacy. Let us reach a nationwide agreement on reunification through confederacy!"

The Central Committee of Hanminjon also published fighting calls for 1995, representing the will of all the people to make this year a year of great national unity, a historic year of laying the foundation for national reunification.

The document calls for reunifying the country by achieving the great unity of the whole nation with General Kim Chong-il as the core, and for building a reunified confederal state by carrying the 10-point programme of the great unity of the whole nation into practice, true to the behests of President Kim Il-song.

It calls for rejecting domination and interference of outside forces, overthrowing the "civilian" fascist "regime" and establishing an independent democratic government under the banner of independence.

It calls upon all the people to form a democratic united front against fascism, rallied into one, and upon the democratic and patriotic forces to become one body, transcending political view, religious belief, partisan interests and stratagem.

Dialogue Views ROK President, Military Leaders

SK2101073595 Pyongyang Korean Central Broadcasting Network in Korean 0630 GMT 18 Jan 95

[Dialogue between station reporters Chong Song-kang and Yi In-chun: "Intolerable Confrontation and War Commotions by the Puppets]

[FBIS Translated Text] [Yi In-chun] How are you?

As you know, the puppet traitor Kim Yong-sam, a vicious national traitor, has further aggravated the situation since the beginning of the new year. I want to discuss this with you today.

[Chong Song-kang] As has already been reported, the puppet traitor Kim Yong-sam and his top cohorts conducted, in succession, a joint air war exercise and an airborne operation exercise aimed at invading the North. They also perpetrated military provocations against us all along the Military Demarcation Line [MDL] almost daily.

We cannot but consider the military provocations perpetrated by the puppets all along the MDL in the DMZ to be very grave. This stark fact shows the traitor Kim Yong-sam is a vicious antireunification element and a fanatic pursuing a war of northward invasion.

[Yi] When we talk about the ominous deliberate confrontation and war commotions by the puppet Kim Yong-sam group, we should note that at the beginning of the new year on 3 January, the military brass hats, the puppet traitor Kim Yong-sam's top cohorts, groundlessly found fault with us, inspired North-South confrontation, and incited war fever for northward invasion.

[Chong] When they started working for the new year on 3 January, puppet Defense Minister Yi Yang-ho, Chairman of the Joint Chiefs of Staff Kim Tong-chin, and other leaders of the puppet Army, Navy, and Air Force made the violent remarks of war on completely preparing against the North's military provocations. At the beginning of the new year, the puppet military brass hats all made loud, violent remarks of war, which incited us a lot. This clearly shows the puppets intend to further aggravate North-South relations and continuously lead the situation on the Korean peninsula to a crisis situation this year.

These deliberate military provocations are a crime intolerable not only in view of the trend of the times toward peace and security on the Korean peninsula but in view of the fellow countrymen's aspirations for North-South national reconciliation and unity and the country's peaceful reunification.

[Yi] Today, we are sincerely making every effort to implement the DPRK-U.S. Agreed Framework. The world acknowledges this. These sincere efforts of ours which will lead to the trends of peace and detente on the Korean peninsula make our Republic's peace-loving image stand out. Nevertheless, South Korea's bellicose elements again groundlessly made outdated remarks about the nonexistent military provocations by the North, [words indistinct], or the North's strategy to communize the South at the beginning of the new year. This is a mere scheme to cloud [hurigehago] the atmosphere for implementing the DPRK-U.S. Agreed Framework and inspire all-out North-South confrontation.

[Chong] This again proves how preposterous the puppet traitor Kim Yong-sam's remarks on opening a new era of North-South reconciliation and cooperation are. The reconciliation and cooperation which the treacherous bastard [yokchoknom] raved about are mere statements to conceal his confrontational and bellicose policy.

The puppet bastards of Kim Yong-sam stressed they would make every effort to achieve globalization in national defense. This is a very dangerous statement that indicates the puppets of Kim Yong-sam would bring all outside forces into South Korea this year to overpower us with the force of arms.

The war frenzy by the puppets of Kim Yong-sam, the various war exercises that the puppets conducted at the beginning of the new year, and the reckless military provocations perpetrated along the MDL and inside the DMZ, suggest that they may create a very grave situation this year.

However, this will merely be the desperate squirming of puppets who have no future. History will surely dole out a stern judgment to the puppet traitor Kim Yong-sam and his top cohorts who try to lead the nation to a catastrophe of war.

[Yi] Thank you.

[Chong] Thank you.

ROK's Kim Chong-pil's Resignation Reported

SK2101043495 Pyongyang KCNA in English 0408 GMT 21 Jan 95

[“ ‘DLP’ Chairman Kim Chong-pil Resigns”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA)—Kim Chong-pil at a press conference on January 19 declared his resignation from the chairmanship of the “Democratic Liberal Party [DLP]” of South Korea, a radio report from Seoul said.

He told newsmen that he could no longer remain the chairman of the “DLP” which is a product of the merger of three parties.

The split of the “DLP” has surfaced with his resignation.

Kim Chong-pil should have been removed long ago, being a chieftain of the “Yusin” system under the rule of the defunct dictator, Pak Chong-hui. He is locked in a power struggle with Kim Yong-sam who is trying to make the “DLP” his private party of dictatorship.

Kim Chong-pil said he had not opened to the public something about his top-secret talk with Kim Yong-sam at “Chongwadae’ on January 10, thus revealing his intention to make a “bomb-like declaration” when the time is opportune.

Meanwhile, incumbent and former “National Assemblymen” from the “republican” faction are lobbying to form a new party with Kim Chong-pil in the centre. Kim Yong-hwan, an independent “lawmaker” known as Kim Chong-pil's associate, and others met twice with him and decided to form a new party.

CPRF Body Denounces ROK University President

SK2301050595 Pyongyang KCNA in English 0439 GMT 23 Jan 95

[FBIS Transcribed Text] Pyongyang, January 23 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] in its information No. 673 released on Sunday says the South Korean students will not pardon the president of Sogang University, Pak Hong, a servant of the fascist regime and a running dog of the “Agency for National Security Planning” (ANSP).

Recalling the strong protest of the South Korean students and opposition organizations against the collection of “written oaths” by Pak Hong from those who take the entrance examination in the 1995 academic year, oaths “not to participate in any form in the leftist violent revolution through a class struggle, denying the liberal democratic system,” the information says:

Pak Hong was a lackey of the preceding military fascist dictators and is a spy of Kim Yong-sam and the “ANSP’’, targets of curses and condemnation by the whole nation.

In July last year the Kim Yong-sam puppet clique instigated Pak Hong, a venal president of Sogang University, to make the groundless remarks that the patriotic students who were following the chuche idea in South Korea received “instructions” from the North. With this as an occasion, they established a “new security-oriented rule” in South Korea and intensified bloody suppressions of students.

By manipulating this stooge, the traitor Kim Yong-sam even collected “written oaths” from the examinees, vividly revealing the desperate wriggle of the “civilian” dictatorial regime in its death bed.

The South Korean students with a strong sense of justice will never pardon such a fellow as Pak Hong, a servant of the “civilian” fascist regime and a running dog of the “ANSP” under the mask of an educator and will rise more undauntedly in the struggle against the anti-national educational policy of the Kim Yong-sam group.

Punishing ‘Culprits’ of 12 Dec ‘Incident’ Urged

SK2301105695 Pyongyang KCNA in English 1021 GMT 23 Jan 95

[FBIS Transcribed Text] Pyongyang, January 23 (KCNA)—More than 200 members affiliated with the May 18 Kwangju Popular Uprising Federation and the Kwangju-Chonnam Federation for Democracy and National Reunification in South Korea reportedly held a rally in front of the building of the “Democratic Liberal Party” in Seoul in demand of the punishment of those involved in the “December 12 incident”.

In a statement made public at the rally, they said it is a historic mistake that the authorities have not punished the rebel forces even after they defined the ‘December 12 incident’ as a coup incident. They demanded that the criminals be prosecuted.

After the rally, they thronged to the residences of the traitors Chon Tu-hwan and No Tae-u, the principal culprits of the “December 12 incident” and staged a sit-in, demonstrating their will to punish the December 12 rebels on all accounts.

Treatment of Foreign Workers in ROK Denounced

SK2101122795 Pyongyang Korean Central Broadcasting Network in Korean 1224 GMT 19 Jan 95

[Commentary by Kim Ho-sam: “A Barbarous Act Which Incites a Sense of National Shame”]

[FBIS Translated Text] According to a news report, the South Korean Samyang Company Limited, which employs foreigners, recently illegally took into custody Nepalese workers who were demanding the payment of their wages, and severely injured them by doing brutal violence to them. In addition, a rascal, who is the company president, has done atrocious acts, including raping a Nepalese woman. This is really a barbarous act of infringing upon human rights, which makes us feel a sense of national shame.

From ancient times, as a nation of courteous people in the East, our nation has regarded—as noble good manners and customs—the act of treating foreigners with respect and with courtesy. This notwithstanding, in South Korea today, such a noble tradition of the nation is being recklessly broken; and numerous barbarous acts running counter to this are being committed.

There was a case in which South Korean hooligans squeezed a black African young man in a drum can and threw him into the sea. There was a case in which such hooligans did a barbarous act of indiscriminately stabbing black young men and seriously injuring them.

As part of such examples, the human rights of the Nepalese workers have been barbarously infringed upon in recent days.

It is by no chance that foreigners' human rights are being barbarously infringed upon in South Korea. We can say that this reflects the feature and ethos of South Korean society, which has been turned into a place where human rights are being infringed upon the most recklessly in the world.

In fact, we can say that South Korea is a place without human rights and where the violation of human rights is being encouraged systematically and legally.

As is known to everybody, numerous evil laws of infringing upon human rights, including the notorious National Security Law—an unprecedented, Middle Ages-style barbarous, fascist evil law—are still in full force in South Korea today. Because of such evil laws, even an act of meeting with a compatriot or exchanging letters with him is regarded as a criminal act; and an act of following and emulating an advanced ideology is also regarded as a target of punishment.

South Korea is a place without human rights where even the freedom of ideology and the freedom of expression are being ruthlessly trampled underfoot.

Also, there still exists in South Korea organizations that concoct information and plots, such as the Agency for National Security Planning and the Defense Security Command. Therefore, the heinous acts of infringing upon human rights—such as watching over, shadowing, kidnapping, and burying innocent citizens alive in the ground and in the sea—are being committed at any time.

Because the Kim Yong-sam ruling bunch, which is setting up a signboard of a civilian government, is in power today, atrocious acts of infringing upon human rights are further encouraged and rampant. As has been widely known, the Kim Yong-sam clique committed the atrocity of arresting, en masse, those who expressed condolences over the biggest accident of the nation [minjokui choedaeui yugo]; and it did not hesitate to commit such an atrocity of mobilizing numerous police armed forces and even helicopters, and spraying tear gas into the places where the masses gathered to demand reunification.

In addition, under the so-called beautiful pretext of sharing the pain, the rascals are blocking 10 million South Korean workers from seeking ways to survive; and they are wringing the necks of 6 million South Korean peasants by selling the South Korean rice market to the outside forces.

Besides, under the so-called pretext of beautifying urban areas, they are recklessly demolishing board-framed houses, makeshift huts, and vinyl-framed houses, thus ruthlessly driving needy people in urban areas outdoors in the cold winter.

There exists such a place, where human rights are severely infringed upon, in the world. This is really a great shame, and an unpardonable blasphemy, to modern civilization and mankind.

It is needless to say that the latest barbarous act of infringing upon the human rights of the Nepalese workers is part of such a heinous, atrocious act by South Korea of infringing upon human rights.

The atrocity of infringing upon the human rights of the Nepalese workers, which has been committed in South Korea, is inciting not only the great national indignation from the people of the relevant country, but also the consistent infuriation and denunciation from the people of various world countries.

The Nepalese workers, who are waging a sit-in at Myongdong Cathedral in Seoul, are strongly demanding that the South Korean Government make an official apology about this incident. This is extremely just and aboveboard.

The Kim Yong-sam clique should assume due responsibility for this. If the Kim Yong-sam clique does not assume the responsibility for this, but is trying to shirk due responsibility by playing various tricks, the clique will not be able to avoid greater denunciation and rejection from within and without.

Japan's 'Forum of Security Dialogue' Opposed

SK2301104995 Pyongyang KCNA in English 1043 GMT 23 Jan 95

["DPRK Opposes Emergence of 'Forum of Security Dialogue', FM Spokesman"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 23 (KCNA)—A spokesman for the Foreign Ministry [FM] of the Democratic People's Republic of Korea manifested opposition to the emergence of a "Forum of Security Dialogue" which Japan is trying to establish in Northeast Asia.

The spokesman says in a statement today:

Japan peddled a motion for a "Forum of Security Dialogue in Northeast Asia" at meetings for security in the Asia-Pacific region last year and, from the beginning of the year, is arguing that stress should be laid on "security dialogue."

A country in Northeast Asia, the DPRK cannot but pay attention to this move of Japan.

As for the establishment of a "Forum of Security Dialogue" in Northeast Asia, it had been proposed in the Cold War period only to fizzle out like a daydream.

Although the Cold War is said to have ended on the globe, the interests of big powers and relations among states remain complicated on a bilateral basis in Northeast Asia. For this reason conditions for multilateral or subregional dialogue are not mature.

In Northeast Asia, unlike in other regions, there remain complicated bilateral problems that must be solved between states.

It is self-evident that, even if Northeast Asian countries sit around a table under these circumstances, nothing can be expected from it and, if regional character is attached to bilateral problems, complication and confrontation will be fostered.

Japan once argued that the Asia-Pacific region also needed an all-inclusive "Forum of Security Dialogue" like the "Conference of Security and Cooperation in Europe," and tried hard to bring it into shape.

Last year the "ASEAN Regional Forum" came into being in the Asia-Pacific region. This is the only forum of security dialogue in this part of the world.

Nevertheless, Japan is insisting on the establishment of a "Forum of Security Dialogue" in Northeast Asia." This is an attempt to divide security affairs into subregional spheres, ignoring the "ASEAN Regional Forum." This is also aimed at expanding her sphere of influence in Northeast Asia and justifying her conversion into a military power.

Japan would be well advised to atone for her past crimes and set her mind on promoting bilateral confidence with neighbouring countries, instead of peddling regional issues, which does not become her position.

At the moment when the aftereffects of the Cold War remain in Northeast Asia and some forces stick to their hostile policy toward the DPRK, we oppose the appearance of any multilateral "Forum of Security Dialogue" in this region.

Since a comprehensive forum of security dialogue like the ASEAN Regional Forum has appeared in the Asia-Pacific region, we will positively contribute to its expansion and development.

Chongnyon Expresses Sympathy Over Earthquake

SK2301104295 Pyongyang KCNA in English 1024 GMT 23 Jan 95

[FBIS Transcribed Text] Tokyo, January 21 [date as received] (KNS-KCNA)—Yi Chin-kyu, first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), visited the Measure Committee on the earthquake in Southern Hyogo Prefecture in the Hyogo Prefectural Office on Jan. 20 and expressed sympathy.

He met Kazuhiro Fujimoto, a room chief of the Governor's Office at the prefectural government and expressed deep sympathy to Hyogo Prefecture and the prefectural people for the serious damages in the name of the Central Standing Committee of Chongnyon and conveyed consolatory money to him.

Fujimoto expressed thanks to the representative of the Chongnyon central headquarters for calling at the disaster area, warmly encouraging the sufferers and conveying consolatory money.

At a press conference that day Yi Chin-kyu said the lesson of the great earthquake of 1923 in the Kanto District must not be forgotten and he believed that the rescue measures this time would be taken impartially without national discrimination.

Launches Operation for Victims

SK2301105995 Pyongyang KCNA in English 1027 GMT 23 Jan 95

[FBIS Transcribed Text] Tokyo, January 21 [date as received] (KNS-KCNA)—The General Association of Korean Residents in Japan (Chongnyon) has launched a rescue operation involving the whole organization and all the compatriots for the Korean quake victims in the southern area of Hyogo Prefecture.

The operation was started on the spot by the members of the Central Measure Committee and the Local Measure Committee on January 18.

Chongnyon organizations of all levels and Koreans have formed rescue teams and are actively conducting a lifesaving operation not only for Koreans but also for Japanese.

Meanwhile, relief goods imbued with compatriotic feelings provided by Chongnyon local headquarters and organizations are being busily transported.

Relief goods are being supplied and donated to Japanese victims and Japanese schools, too.

Kim Chong-il's Sympathy Message Conveyed to Japan

SK2301045095 Pyongyang KCNA in English 0431 GMT 23 Jan 95

[FBIS Transcribed Text] Pyongyang, January 23 (KCNA)—A meeting for conveying a message of sympathy from the great leader Marshal Kim Chong-il to the

Koreans in the quake hit area was held by Hyogo-resident Koreans at the Korean Hall in Higashikobe on January 20, according to the Tokyo-based Korean news service.

The message of sympathy sent by Marshal Kim Chong-il was conveyed at the meeting.

Yi Chin-kyu, first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), in his words of encouragement called on all officials and Koreans in Japan to wipe off the present sorrow and bitterness, bearing deep in mind the intention of respected General Kim Chong-il who sent the message of sympathy.

A message of thanks to General Kim Chong-il was read at the meeting.

Kim Chong-il's 'Famous Work' Studied Abroad

SK2301044095 Pyongyang KCNA in English 0423 GMT 23 Jan 95

[FBIS Transcribed Text] Pyongyang, January 23 (KCNA)—"Socialism Is a Science", a famous work of the great leader Comrade Kim Chong-il was disseminated and studied in different countries.

Seminars on the work were held by the Addis Ababa, Ethiopia, Group for the Study of the Chuche Idea and the Zairean Society for the Study of Kim Chong-il's Works.

Speakers at the seminars referred in detail to the content of the work. They said his treatise greatly contributes to convincing the world progressive people of the scientific accuracy and truth of socialism and it is a strategy and tactics of revolution to which the popular masses should hold fast in the struggle for socialism.

Pointing out that the miserable situation of those countries in which capitalism have revived in recent years shows the people that defending socialism is a victory and abandoning it is a death, they said the treatise is a powerful weapon that helps strengthen the might of socialism and display its advantages overall.

Seminars on the work were also held by the Nigerian National Committee for the Study of the Chuche Idea, the journalism branch of the Ghanaian National Institute of the Chuche Idea, the Tanzanian National Coordinating Committee of the Chuche Idea Study Groups, the Burkina National Group of the Chuche Idea and the Zairean Youth Group for the Study of the Chuche Idea.

Kim Chong-il Sends Autographic Letters to People

SK2301104095 Pyongyang KCNA in English 1018 GMT 23 Jan 95

[FBIS Transcribed Text] Pyongyang, January 23 (KCNA)—Meaningful autographic letters and many letters are exchanged between the leader and the people in Korea, which are the flower of love and trust, and loyalty and filial piety.

The great leader Comrade Kim Chong-il sent the following autographic letter to the entire Korean people who were starting on the march on the new year.

"We are seeing out the year 1994 in bitter tears and ringing in the new year.

Let all of us energetically work in one mind to make our country, our motherland more prosperous as soldiers and disciples of the great leader Comrade Kim Il-song.

January 1, 1995

Kim Chong-il"

All the Korean people who received the autographic letter of Comrade Kim Chong-il with deep emotion are devoting their wisdom and energy to making their country, their motherland more prosperous and bringing to completion the socialist cause of chuche under his leadership.

Comrade Kim Chong-il who devotes all his thinking and activities to the happiness of the people sent autographic letters to working people, so busy as he was with leading the revolution and construction.

In December last year, after reading a letter from Chong Chun- sil, director of the Chonchon County, Chagang Province, Commercial Management Office, he sent to her a benevolent autographic letter reading:

"I trust you. The whole party will actively support you who are working as a faithful servant of the country and people, upholding the intention of the great leader.

December 14, 1994

Kim Chong-il"

In the early 90s, Comrade Kim Chong-il sent autographic letters to many people of various circles across the country, including a reply letter to a letter of the members of the 2nd party cell of the 5th Bureau of the Korean Central News Agency that carried the firm resolution to defend the Workers' Party of Korea and the socialist motherland.

Among those who received autographic letters from him are the miners of April 5 pit of the Kumkol Branch Mine of the Komdok Mining Complex, the members of the party cell of the 2nd rolling team of the Bloom Rolling Mill of the Chollima Steel Complex, members of the 1st machine workteam of the tool shop of the Pyongyang Textile Machine Factory, the farmers of the 3rd workteam of the Chongsan Cooperative Farm in Kangso District, Nampho Municipality, and the Wonhwa Cooperative Farm, Phyongwon County, teachers of the party cell of the 1st Department of the Political Economy of the faculty of economics of Kim Il-song University, officials of the DPRK Radio and T.V. Broadcasting Committee, writers of the Korean Writing Company and soldiers of Unit 525 of the Korean People's Army.

The letters carried the faith of Comrade Kim Chong-il and his unshakable will to carry to completion the revolutionary cause of chuche and his great trust and love in believing in all the Korean people as soldiers and disciples of the great leader Comrade Kim Il- song on this glorious road and leading them along the road of loyalty.

Now all the Korean people are upholding Comrade Kim Chong-il as the sun as they did the great leader President Kim Il-song, and entrust everything wholly to him and write in their letters without hesitation their inmost thoughts and things they dare not speak even to their parents.

This is the true looks of Korea which is a large family in which the entire people are closely united around the great leader Comrade Kim Chong-il.

Kim Chong-il Sends Thanks to Plants, Work Units

SK2101033595 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 16 Jan 95

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [yongdoja] of our party and people and the supreme commander of the Korean People's Army [KPA], sent thanks to Nampo District Export Goods Processing Station, Waudo District Soy Sauce Plant of Nampo, No. 2 work unit of Munsuwon, and the second-floor work unit of the Kwangbok Department Store for setting examples in supporting the People's Army and mines. With the laudable ethos of army-people unity blooming throughout the country to uphold the party's intention to strengthen the military, employees of Waudo District Soy Sauce Plant have cared for and loved the People's Army like their real brothers and kin and have actively supported them. Manager Choe Kil and the employees who are vigorously carrying out "our post, our plant" movement, recently visited a People's Army unit and gave the soldiers thoughtful gifts. They told the soldiers about the result of implementing the party's light industry-first policy and asked the soldiers to guard our socialist country as iron walls.

Employees of Nampo District Export Goods Processing Station regard helping the People's Army as the citizens' duty and have always taken good care of the soldiers' lives like real parents. Members of the No. 2 work unit of Munsuwon also highly demonstrated the beautiful deeds of caring for the army. Yun Ok-hui, chief of the work unit; Comrade Kim Sin-yong, party cell secretary; and members of the work unit visited Comrade Kang Chin-sok's KPA unit for 15 times and performed art pieces to encourage the soldiers to keep the honor of being the "strong unit" entitled by the respected and beloved comrade supreme commander.

Members of the second-floor work unit of Kwangbok Department Store, including floor chief Choe Chong-sim and division party secretary Choe Yong-song, engraved the fatherly leader's will deep in their hearts and vowed to improve service activities and increase coal production during the mourning period. They prepared various support goods with spare materials and visited the 8 February Chiktong Youth Mine. Afterwards, they visited the Cha Kwang-su Youth Shock Brigade of the Seventh Mine of Anju District Mining Complex and vigorously helped the work as if they had been deployed to the brigade.

Meetings to convey the thanks messages from Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, were held at the respective units. Relevant functionaries and employees attended the meetings. The thanks messages from the respected and beloved comrade supreme commander were conveyed amid enthusiastic applause of the attendees. Discussions were also made. Letters of pledge and resolutions to Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, were adopted at the meetings.

Kim Il-song, Kim Chong-il Leaflets Said in ROK

SK2101043595 Pyongyang KCNA in English 0404 GMT 21 Jan 95

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA)—Hundreds of copies of leaflets were scattered in Tobong [?and] Tongdaemun Districts, Seoul, on the early morning of January 1, according to a report of Seoul-based radio Voice of National Salvation [VNS] quoting an information of the Seoul city committee of the South Korean National Democratic Front (Hanminjon).

Written in red on the leaflet scattered in Tobong District were "President Kim Il-song, the liberator of the country and the peerless patriot, is immortal with the Tangun nation" and "Let us make a deep bow to the great leader Kim Chong-il, a great thinker and theoretician, a genius for leadership art and a great master of benevolent politics, wishing him a long life."

The postcard-style leaflet scattered on the thoroughfare and in housing quarters of Tongdaemun District read "Let us follow the great leader Kim Chong-il, the sun of the age of independence and the savior of the Tangun nation" and "Long live the Kim Chong-il era which will prosper forever."

The radio also quoted an information of the North Cholla provincial committee of Hanminjon as saying that New Year's cards without addresses were delivered to houses in the Toktusan village in Namwon County. Written on the cards were "Let us pray for the soul of President Kim Il-song, looking toward the northern sky," "May General Kim Chong-il unrival led in the world, enjoy a long life" and "Let us all join in the grand march toward reunification, upholding the noble intention of General Kim Chong-il, the lodestar of reunification. With New Year greetings to brothers and sisters, the patriotic youth society for reunification."

International Meeting Pays Tribute to Kim Il-song

SK2301045595 Pyongyang KCNA in English 0434 GMT 23 Jan 95

[FBIS Transcribed Text] Pyongyang, January 23 (KCNA)—Participants in the fifth meeting of ministers of labour of the non- aligned and other developing countries opened in India on January 19 paid a silent tribute to the memory of the great leader President Kim Il-song.

The Indian minister of labour, chairman of the meeting, expressed deep condolences on the death of President Kim Il-song of the Democratic People's Republic of Korea who was a great leader of the Korean people and an outstanding leader of the Non-aligned Movement.

In response to his proposal, the participants paid a silent tribute to the memory of President Kim Il-song.

Attending the opening ceremony of the meeting were some 300 delegates from 89 countries and 8 international organizations.

Foreign Media Praising Kim Il-song Cited

SK2301044395 Pyongyang KCNA in English 0429 GMT 23 Jan 95

["President Kim Il-song, a Great Man"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 23 (KCNA)—Foreign news media carried articles revering the great leader President Kim Il-song.

The Finnish paper KANSAN UUTISET carried an article titled "President Kim Il-song, a Great Man".

The article said President Kim Il-song was a man of noble personality and a genius of great erudition.

"History knows no more energetic, more popular and more generous state leader than President Kim Il-song," said the article.

The British paper ASIAN TIMES said:

History will remember forever President Kim Il-song, who passed away in July last year, as a great man who had struggled against imperialism and for the defence of the independence of popular masses.

The DPRK-U.S. framework agreement signed in Geneva in October last year illustrates the validity of the policy constantly maintained by President Kim Il-song.

Radio Fiesta of Nicaragua aired an article titled "The Great Leader President Kim Il-song Will Always Live in the Hearts of the People".

The radio noted the world would never forget the Korean people wailing in bitter tears at the death of President Kim Il-song which we witnessed in 1994.

It said:

"The whole life of President Kim Il-song was a history of great love and a history of great devotion in which he devoted his all only to the people.

"President Kim Il-song devoted even the last moment of his life to the greater happiness of the Korean people and the prosperity of the country.

"World history knows no such a leader who devoted his all to the happiness of his people till the last moments of his life."

The Nigerian papers OBSERVER and VANGUARD, the British paper CARIBBEAN TIMES, the radio and television of Equatorial Guinea and the television of Nicaragua reported articles praising President Kim Il-song.

Anniversary of Kim Il-song's Journey Commemorated

SK2201102895 Pyongyang KCNA in English 1011 GMT 22 Jan 95

["NODONG SINMUN Calls For Advancing Along the Road of Chuche"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 22 (KCNA)—NODONG SINMUN today carries an editorial upon the lapse of 70 years since the great leader President Kim Il-song set out on a 250-mile journey for national liberation on January 22, 1925.

The editorial says:

The great leader Comrade Kim Il-song made the long journey from Mangyongdae with a firm pledge to beat the Japanese imperialists and achieve national liberation. This was an event of greatest significance in the history of the Korean nation and revolution.

His long journey made it possible that our country put an end to the long distress-torn history and achieved its liberation and ours have become a powerful and dignified people shaping their own destiny by themselves.

It was a path of chuche which ushered in a new era of history, an era of independence in which our revolution triumphantly advances under the banner of the chuche idea and an immortal course which provided an eternal cornerstone for its definite victory and advance.

The editorial continues:

It is undying feats performed by Comrade Kim Il-song for the time and revolution, for the country and the people that he triumphantly led the Korean revolution for a long historical period and laid all the solid foundations for the final accomplishment of the revolutionary cause of chuche by conducting energetic activities till the last moment of his great life.

No matter how much water may flow under the bridge, our people will always remember the feats he performed in the long course of the revolution and glorify them through generations.

We must continue vigorously advancing along the road of chuche hewn by Comrade Kim Il-song.

National Meeting Marks Anniversary

SK2101230395 Pyongyang KCNA in English 1525 GMT 21 Jan 95

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA)— A national meeting was held at the 6,000-seat theatre of the February House of Culture today on the lapse of 70 years since the great leader President Kim Il-song started on a 250-mile journey for national liberation.

The meeting was attended by senior party and government officials, including Vice-president Pak Song-chol and Vice-premier and Foreign Minister Kim Yong-nam who are Politburo members of the Central Committee of the Workers' Party of Korea, and working people in the city and senior middle school pupils from all parts of the country who will participate in an excursion marking the 70th anniversary of the 250-mile journey for national liberation.

President Kim Il-song started on the journey on January 22, [word indistinct] at the age of 13 with a firm pledge not to return home before Korea won independence. He had experienced the misfortunes imposed on the Koreans in the homeland after making a 250-mile journey for learning, under the motto "Aim High" of his father, Kim Hyong-chik, an indomitable anti-Japanese revolutionary fighter. The participants observed a moment of silence to honor the memory of President Kim Il-song.

At the meeting, Choe Yong-hae, member of the Central Committee of the Workers' Party of Korea and chairman on the Central Committee on the League of Socialist Working Youth of Korea, made a report under the title "Let Us Carry the Revolutionary Cause of Chuche Pioneered by the Great Leader To Completion Through Generations."

The reporter said:

The 250-mile journey for national liberation meant the start of the revolutionary activities of the great leader Generalissimo Kim Il-song, who recorded the modern history of the Korean people with heroic events and immortal feats, victoriously leading the revolutionary cause of chuche. The historic journey has led to all our victories in the revolution and construction and the worthwhile life of our people.

By accomplishing the historic cause of national liberation, Generalissimo Kim Il-song creditably carried out his pledge to the nation made during the journey and opened broad way for our people to build a new country, independent and prosperous.

The historic journey is linked to the grand march today toward the accomplishment of the revolutionary cause of chuche under the wise leadership on respected Supreme Commander General Kim Chong-il.

Under his energetic guidance, the youth movement of Korea has greeted a great heyday and it has become a famous model of the socialist youth movement worldwide.

Today all the youths and children are growing to be dependable successors to the revolutionary cause of chuche. This is a precious fruition of the wise guidance of Generalissimo Kim Il-song who lead our revolution and the movement of the youths and children to victory for a long period since he made the journey and a proud result of the tested leadership of General Kim Chong-il who is faithfully carrying forward the generalissimo's revolutionary cause and his idea on the youth movement.

The reporter outlined tasks to carry to completion through generations, under the leadership of General Kim Chong-il, the victorious revolutionary cause of chuche started by Generalissimo Kim Il-song making the journey.

He quoted the great leader Comrade Kim Chong-il as saying:

"The central task facing the Korean youth movement at present is to prepare the young people more fully as a young vanguard that upholds the party's leadership and staunchly defends and develops our people-centred socialism."

The reporter continued:

We must remain loyal to the leadership of respected General Kim Chong-il and energetically work in one mind and purpose to make our country, our motherland, [words indistinct], befits soldiers and disciples of Generalissimo Kim Il-song.

We must devotedly work to accomplish the revolutionary cause of Generalissimo Kim Il-song, regarding him as the founder of socialist Korea and the father of the 70 million Koreans forever.

It is the earnest behests of Generalissimo Kim Il-song for our people and youths and children to uphold General Kim Chong-il with loyalty and filial piety, closely united behind him.

The young people and school children must regard defending General Kim Chong-il politically and ideologically and with their lives as their first and foremost duty and firmly prepare themselves as the true young vanguard and juvenile lifeguards of the party and eight million rifles and bombs to defend him with their lives.

Journey 'Historical Course'

SK2101053795 Pyongyang KCNA in English 0420 GMT 21 Jan 95

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA)—Seventy years have passed since the great leader President Kim Il-song started on a 250-mile journey for national liberation.

His glorious revolutionary history which will shine for all ages began with the journey.

President Kim Il-song made the journey from Mangyongdae to Badaogou [in the PRC] from January 22 to February 3, 1925, with grand aspirations to liberate the country. His journey is recorded as an immortal historical course.

He was studying in the homeland after making a 250-mile journey for learning at the age of 11. But he started on a 250-mile journey back to Badaogou, when he was told that his father Kim Hyong-chik, an indomitable anti-Japanese revolutionary fighter, had been arrested by the Japanese imperialist police.

He went to Kaechon from Pyongyang by train. From Kaechon, he crossed the high and rugged Oga mountain and went through primeval forests alone in the teeth of snowstorms and piercing cold in January.

Arriving at Popyong, Huchang County, on the River Amnok, in the northern frontier of the country, thirteen days after he left Mangyongdae, he hardly repressed sad feelings on the snow-covered riverside. He looked back at mountains of the homeland, reluctant to leave it.

He made a solemn pledge to return home without fail after beating the brigandish Japanese imperialists though he was leaving the homeland that day in sorrow.

After returning home in triumph, President Kim Il-song said, recalling the day:

"I crossed the Amnok-kang River when I was 13, firmly determined not to return before Korea became independent. Young as I was, I could not repress my sorrow as I sang the song of the Amnok-kang River written by someone and wondered when I would be able to tread this land again, when I would return to this land where I had grown up and where there were our forefathers' graves."

The 250-mile journey made by the respected leader President Kim Il-song with grand aspirations of revolution was a glorious revolutionary journey which led to the struggle for the country's liberation.

From the day when he set on the road of the struggle for national liberation, he hewed the new path of the Korean revolution, defeated the truculent Japanese imperialist Army one million strong with the leadership ability of an outstanding statesman and the commanding art of a distinguished brilliant commander and finally accomplished the historical cause of national liberation, which he pledged himself to do at the age of 13.

His statue was erected in Chonchon County, Chagang Province, to convey the story of the long journey he made with a great goal of Korean liberation. And monuments were set up in different places along the course of the journey and the "250-mile journey for national liberation" school children's palace was constructed.

Many school youth and students of Korea have marched along the course of the journey.

On January 22, senior middle school pupils from different parts of the country will leave Mangyongdae for Popyong upon the lapse of 70 years since respected Generalissimo Kim Il-song made the journey.

Students Pay Respects to Statue

SK2101044295 Pyongyang KCNA in English 0410 GMT 21 Jan 95

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA)—Senior middle school pupils from all parts of the country on Friday laid baskets of flowers before the statue of the great leader President Kim Il-song on Mansu hill in Pyongyang before starting on a march in commemoration of the 70th anniversary of the 250-mile journey for national liberation made by him.

The pupils made a bow with deepest reverence before the statue of the great generalissimo who brought the biggest happiness in the world to them.

They made the oath to unswervingly walk the road of the revolution for successfully carrying forward to accomplishment the glorious revolutionary cause of chuche through generations, bearing in mind the slogans of faith: "The respected father Generalissimo Kim Il-song will always be with us!" and "let us be rifles and bombs defending General Kim Chong-il, the great leader, with our lives!"

Middle School Students March

SK2301051195 Pyongyang KCNA in English 0445 GMT 23 Jan 95

[FBIS Transcribed Text] Pyongyang, January 23 (KCNA)—A national march of senior middle school pupils left Mangyongdae, the sacred place of revolution, on January 22 on the lapse of 70 years since the great leader President Kim Il-song started the 250-mile journey for national liberation. The march consists of 5,000 pupils.

It will cover the course of the 250-mile journey for national liberation made by President Kim Il-song.

The great leader President Kim Il-song who had studied at Changdok school after making a 250-mile journey for learning from Badaogou to Mangyongdae at the age of 11, started the 250-mile journey from Mangyongdae, his dear native place, on January 22, 1925 with a pledge of revolution to liberate the country at any cost, upon hearing the news that his father was arrested again by the Japanese imperialist police in the northern region of the country while conducting revolutionary activities.

On this significant day, a starting ceremony took place at Mangyongdae.

The ceremony was attended by Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, other senior party and government officials and officials concerned.

The pupils hardened their determination to prepare themselves to be fine sons and daughters faithful to the great leader Comrade Kim Chong-il, learning the boyhood of President Kim Il-song through the march.

Kanggye Power Station Workers Increase Production

SK2001221395 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 17 Jan 95

[FBIS Translated Text] Electric power producers of the Kanggye Youth Power Station, who warmly accepted the great leader's New Year address of last year and joint editorial of NODONG SINMUN, CHOSON INMINGUN, and NODONG CHONGNYON are dynamically advancing the first advance march of the hopeful New Year.

Comrade Han Pong-nam, head of a workshop, and Comrade An Mun-son, operator, in meeting with Choe Un, reporter of the Central Broadcasting Network, said:

[Begin recording] [Han] Electric power producers of our power station, who warmly accepted the great leader's New Year address of last year and joint editorial of the organs of the party, military, and youth, are vigorously waging the struggle to increase electric power production for the first combat of the New Year, overflowing with confidence.

How grave yet honorable missions are assigned to our electric power producers in carrying out our party's revolutionary economic strategy!

Thus, as soon as the joint editorial was announced, functionaries in our power station went down to the field; encouraged the producers, and established revolutionary steps by gathering wisdom from the producers so that all power generation facilities are fully operated. As a result, from the first day of the New Year, they made the achievement of producing 500,000 kwh more electric power than planned every day.

[An] On the first day of the New Year, we gathered in front of the power distributor, which the great leader [suryongnim] personally started, and yearned after the benevolent image of the fatherly leader. We consolidated again and over again our pledge of loyalty to uphold the great General Kim Chong-il with production of electric power.

The zeal of our electric power producers is very high and the condition of power generation facilities is very good. By always cherishing iron-clad faith that the great leader [suryongnim] is with us forever, we will take the initiative in the struggle to accomplish the tasks set forth by the joint editorial. Thus, we will glorify this significant year—the 50th anniversary of the party founding and of national liberation—with electric power production. [end recording]

Changsan Export Plant Resolves To Fulfill Goals

SK2001221595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 18 Jan 95

[FBIS Translated Text] The functionaries and workers of the Changsan Export Goods Plant—who are resolved to make our country, our fatherland, more prosperous, and to actively contribute to the country's prosperity and thriving, as befitting the warriors of the great leader [suryongnim]—are achieving great successes in producing export goods.

Station reporter Kim Yun-chin has interviewed Manager Kim Hwa-ok and Chief Engineer Pyon Chang-sop of this plant:

[Begin recording] [Kim Hwa-ok] Upholding the joint editorial carried in the party organ on the New Year's Day this year, the functionaries and the working class of our plant have turned out, as one, to accomplish our party's revolutionary economic strategy.

Since the first day of the new year, we have been achieving innovative successes.

Since the first day of the new year, our functionaries, me included, have gone down to the seething workshops to explain to the workers the content of the joint editorial carried in the party organ, and have forcefully encouraged and instigated them to accomplish the party's revolutionary economic strategy.

As a result, great successes have been achieved also in production. We are overfulfilling the daily plans by 110 to 120 percent.

[Pyon Chang-sop] Yes. In conformity with the nature and the demands of the speed battle, we have not paid our attention only to producing relevant goods alone, but, instead, we have exercised our command evenly over relevant sectors. As a result, the quality of the goods has increased to a higher level. In addition, we have been producing more goods by taking technical countermeasures to produce more of various kinds of goods—while breaking away from the previous practice of producing items of a single kind—or by newly replenishing and refurbishing relevant facilities.

This year is a meaningful year, which will mark the 50th anniversary of the founding of the Workers' Party of Korea.

We will unconditionally attain this year's goal by 10 October by more meticulously carrying out the organizational and political work and economic management. Thus, we will make our country, our fatherland, more prosperous, and will wonderfully fulfill our duties of the times to achieve the country's prosperity and affluence, as befitting the warriors of the great leader [suryongnim]. [end recording]

Iron, Steel Complexes Overfulfill Daily Plans

SK2101105995 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 18 Jan 95

[FBIS Translated Text] The steelmaking warriors at the ironworks and steelworks under the Ministry of Metal Industry, who have vigorously turned out to celebrate the 50th anniversary of the party's founding with high political enthusiasm and brilliant labor success, have been achieving great successes in production since early this year.

Thanks to the self-sacrificing struggle of the workers, who have deeply realized the meaning and importance of steelmaking with regard to accomplishing the party's revolutionary economic strategy, the ministry-wide production of steel increased by 111.9 percent as of 15 January, compared with a corresponding period of the end of last year.

Highly displaying the revolutionary spirit of self-reliance and fortitude, the working class of the Hwanghae iron complex, one of the country's powerful production bases of steel products, is increasing the daily average of steel production by two times more than the end of last year, while producing what is lacking and finding out what is in short supply, and while forcefully waging the struggle to increase production.

The workers and technicians of the Chollima steel complex are nowadays overfulfilling the daily plans by more than 150 percent by waging a vigorous struggle with the resolve to successfully attain the goal to produce steel—the goal which they have set higher than last year—while keeping deep in their hearts the slogan of loyalty "What the party decides, we will do!"

The working classes at the Kim Chaek iron complex and the Chongjin steel complex, too, are achieving successes in production with the high pride and glory in reliably upholding our party with steel.

Meanwhile, the flames of innovations are fiercely ablaze also in the concentrated iron ore sector.

The working class of the Musan mining complex, a leading base of concentrated iron ore production of our country, is overfulfilling daily plans to produce iron ore by achieving innovations at all mining areas and workshops, while setting a high goal to effect new upsurges in producing concentrated iron ore in this meaningful year.

Spinning Plant Workers Increase Production

SK2101110695 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 16 Jan 95

[FBIS Translated Text] Functionaries and the working class of the Pyongyang general spinning plant, who have entered the road of the new year's first advance march by upholding our party's revolutionary economic strategy, are continually registering innovations in production.

Kim Mi-ok, reporter of the central broadcasting network, met with Han Yong-kil, deputy chief engineer of this plant, and Pak Yong-su, weaving worker in the No. 30 workshop of the silk spinning general workshop.

[Begin recording] [Kim] I learned that functionaries and the working class in this Pyongyang general spinning plant are continually attaining lofty achievements in production.

[Han] Yes. Functionaries and the working class in our general plant, who entered the first advance march overflowing new confidence and optimism by upholding the fatherly leader's New Year's address last year and the joint editorial, are continually effecting upsurges in production.

Under the guidance of the party committee, all functionaries are carrying out proper organizational work and command of production. In addition, all of us are registering production achievements by highly demonstrating the revolutionary spirit of self-reliance and arduous struggle.

All workshops and work teams are equally effecting an upsurge in production. However, the working class in the No. 2 weaving work team and [word indistinct] in the silk spinning general workshop, in particular, are overfulfilling the production tasks by more than 110 percent over the same period of last year.

In addition, the working class in the dyeing and weaving general workshop and in the (?cotton weaving) workshop are registering continuous production achievements by properly managing technology and facilities and by fully operating the machines.

All functionaries and the working class in our plant have all risen in the struggle to register an upsurge in production and to fulfill the mission as the leader's [suryongnim] revolutionary fighters and as the dear comrade leader's revolutionary fighters.

[Pak] As the new generation who lived happily in the bosom of the great leader and dear comrade leader, I entered the first advance march of the new year with a new resolution.

I overfulfilled the daily fabric production target, which has been assigned to me up to now, by 250 and 300 percent.

I will make the land of our nation and our fatherland—the best nation in the world which was founded by the fatherland and which is being glorified by the dear comrade leader—overflow with silk fabric and pretty texture. Thus, I will embroider our beautiful fatherland with them. I firmly resolve to glorify our chuche socialist fatherland in which we live by highly upholding our respected General Kim Chong-il as father of the nation. [end recording]

Public Ownership Solution to 'Rural Question'

SK2101101995 Pyongyang KCNA in English 1008 GMT 21 Jan 95

["NODONG SINMUN on Conversion of Cooperative Property Into Public Ownership"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA)—The conversion of cooperative property into public ownership, one of the behests and noble intention of the great leader Comrade Kim Il-song, is an important revolutionary task for a final solution to the rural question, says NODONG SINMUN in a by-lined article today.

The article says:

In Korea, socialist cooperativization was completed and the most advanced socialist system established through the socialist revolution. But this does not mean the final solution to the rural question.

If the rural question is to be resolved finally, it is imperative to remove the distinctions between towns and the countryside and between the working class and the peasantry by bringing the cooperative property under public ownership.

This is a task of the continued revolution which should be fulfilled in the period of transition from capitalism to socialism.

Converting the cooperative property into public ownership is a precondition for removing the distinctions between the working class and the peasantry and building a classless society.

Their class distinctions result from the forms of ownership of the means of production.

If the cooperative property is put under public ownership, the unitary control on the means of production by public ownership will be established and there will be only one class, industrial workers and agricultural workers, in the society.

Turning the cooperative property into public ownership will open a broad way of rapidly developing agricultural productive forces.

For a final solution to the rural question, it is also necessary to lay solid material and technical foundations of the cooperative economy and industrialize agriculture.

If the cooperative property is brought under public ownership, the peasants will more fully display the idea of collectivism and political and moral consciousness in helping and leading each other forward. And the industrialization and modernization of agriculture will be promoted under the powerful guidance and assistance of the party and the state so that the material and technical foundations of the cooperative economy may be consolidated remarkably and thus the agricultural productive forces be developed to a high degree.

The conversion of the cooperative property into public ownership will also make it possible to rid the peasants of egoism and all other outdated ideas, arm them firmly with the idea of collectivism and make them true socialist working people.

The cooperative property has some limitations in remoulding the ideas of the peasants when compared with public ownership.

When the cooperative property is put under public ownership and all the working people are embraced in the unitary economy of public ownership, the collectivist principle "one for all and all for one" will be applied on a fuller scale and the peasants will become true socialist working people equipped with the collectivist idea.

At the end of last year, the Mangyongdae district state farm, Pyongyang, and the Sokchon County agricultural complex, South Phyongan Province, were formed, opening a broad prospect in converting the cooperative property into public ownership throughout the country.

'Superior' Public Health Care System Praised

SK2101225995 Pyongyang KCNA in English 1513 GMT 21 Jan 95

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA)—The life expectancy at birth of the people is 74.5 years in Korea. This is 36 years longer than that before the liberation of the country from the yoke of the colonial rule of the Japanese imperialists.

This fact is a clear proof of the superior public health policy of Korea.

The great leader President Kim Il-song said:

"In our system, nothing is more precious than the people. We have to develop our public health services to protect the lives of the people and promote the health of the working people."

In Korea where great politics center on the popular masses is in force, step for a universal free medical assistance system was taken throughout the country in January 1953 during the rigorous fatherland liberation war when everything was in short supply.

Under the complete and universal free medical care system in the country today, all the people enjoy equal benefits of medical services without discrimination. People live free from the doctor's fee, charges for operation, hospitalization and medical treatment at sanatoria and even the expense of travelling to and from sanatoria.

The main emphasis is put on preventive medicine in Korea. The people get enormous additional benefits from it alone.

People are given full medical assistance at the modern hospitals attached to the provincial universities of medicine, the provincial, [word indistinct] and county people's hospitals with well- furnished special sections, the [word indistinct] people's hospitals and specialize medical service centres in all parts of the country.

Everyone has a doctor assigned to him or her under the advanced section doctor system. Notably great are the state benefits granted to the old folks. Regarding the large number of centenarians as a pride of the country, the great leader Comrade Kim Chong-il sent birthday tables to them and took measures for special protection of their health [words indistinct] care organs of the country. In recent years alone, gerontological sections have been set up at the hospitals attached to the provincial universities of medicine and all the [word indistinct] have been registered and examined. Those registered are under the care of the hospitals in the capital, irrespective of their place of residence.

The life span of the people is getting longer thanks to numerous factors such as the popular policy of the Workers' Party of Korea and the Government of the Republic, the rapid development of public care, and effective use of rich mineral water resources, the steady improvement of the people's standard of living and beautiful [word indistinct] and custom of respecting the old folks prevalent in the whole society.

South Korea

Foreign Worker Employment System Considered

SK2301081495 Seoul YONHAP in English 0751 GMT 23 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 23 (YONHAP)—The government is considering introducing a system that would allow employment of foreign workers or training of foreigners for employment, Labor Minister Yi Hyung-ku said Monday [23 January].

He made the disclosure at a meeting with members of the ruling Democratic Liberal Party's Labor Committee on the recent sit-in staged by Nepalese workers against alleged mistreatment.

Under the proposed system, businesses would be permitted to employ directly those skilled foreign workers they need or the government would offer vocational training courses to foreign workers and assign them to waiting businesses. Foreign workers thus employed would be accorded treatment stipulated by Korean labor laws, Yi explained.

Reaction to U.S. Relaxing Sanctions on North

Foreign Ministry's Chang Reacts

SK2101024695 Seoul YONHAP in English 0241 GMT 21 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 21 (YONHAP)—The Seoul government hopes that its counterpart in Pyongyang will seek progress in inter-Korean dialogue to gain a further relaxation of economic sanctions imposed by Washington, a Foreign Ministry spokesman said Saturday.

Commenting on the United States' lifting the same day of sanctions against North Korea in compliance with their framework agreement reached in Geneva last October, ministry spokesman Chang Ki-ho said, "The government of the Republic of Korea hopes that the relaxation of the sanctions will help the North Koreans open their country to the outside world and implement the Washington-Pyongyang agreement in a sincere manner."

Chang said the partial easing of sanctions represented only initial steps in response to the North's freezing of its nuclear program, part of the agreement reached by the two sides to be implemented within three months of the framework deal last Oct. 21.

Seoul and Washington consulted closely in determining the scope and timing of the relaxation before the announcement came Saturday, the spokesman said.

Noting that a further easing of economic sanctions will be subject to verifiable progress on a variety of issues including inter-Korean dialogue, the spokesman urged Pyongyang to do its part in improving relations with Seoul.

Assessed as 'Symbolic' Step

SK2101060895 Seoul YONHAP in English 0552 GMT 21 Jan 95

["News Analysis" by Hwang Tu-hyong: "Relaxation of Sanctions Considered Initial and Symbolic Steps"]

[FBIS Transcribed Text] Seoul, Jan. 21 (YONHAP)—The United States' easing of sanctions against North Korea announced Saturday is considered "initial" and "symbolic" in nature as the steps aim to facilitate implementation of their framework agreement on freezing Pyongyang's nuclear program rather than promote full economic cooperation.

Washington, accordingly, will continue to maintain a substantial portion of its sanctions against Pyongyang, banning financial or military assistance to the communist state and limiting trade, investment and financial transactions with it.

The U.S. Government will also stick to its policy of imposing diplomatic and security-related sanctions on the North in relation to terrorism, human rights and nuclear non-proliferation as well as transfers of defense technology and equipment.

The Clinton administration has no intention of further easing economic sanctions against the North for now, maintaining that any further relaxation depends on additional verified progress on the nuclear issue and in other areas, Foreign Ministry officials said.

The ministry, meanwhile, is urging the North to resume inter-Korean dialogue and improve relations in close cooperation with the United States, the officials said.

The four major points of Washington's relaxation of sanctions include permission for telephone and telecommunications links between North Korea and the United States.

Washington will consider allowing U.S. telecommunications firms to export facilities and equipment to North Korea on a case-by-case basis once they ask for permission to set up telephome links between the two nations, according to the ministry officials.

Revenues from the phone links will be allocated to the U.S. firms in accordance with Federal Communications Commission (FCC) regulations, they said.

Telephone lines linking Pyongyang and Washington through Canada are in use at the moment but lines going in the opposite direction are yet to open.

The U.S. Government lifted sanctions on the use of credit cards for personal travel and other travel-related transactions. Moreover, it abolished the daily travel expense limit of 200 dollars, actually allowing Americans to travel to the North.

It also halted a ban on group tours to the North.

American credit card companies, however, will not need to establish branches in the North by settling accounts separately with hotels and shops there, the officials said.

Another major point concerns the go-ahead to open press offices in each country. The U.S. Government currently has no rules banning the establishment of media offices in North Korea but actually relies on the foreign assets control regulation, which restricts the release of funds for this purpose.

The unblocking of North Korea's frozen assets in the United States, however, will not lead to direct money transfers to the Pyongyang government or enterprises because the U.S. Government will send the amount to the original senders of the money in third countries, according to the ministry officials.

The amount affected by the relaxation measures covers half of the north's total assets of 11 million dollars held in the United States. The assets are all in the form of bank accounts and North Korea has no real estate or cash assets in America.

However, the freeze on remittances from the North to foreign countries will continue.

In the only exception to the U.S. Government's general principle of banning direct financial transactions with the North for the purpose of trade, it decided to allow direct financial dealings with the North in trade of magnesite, a heat-resistant raw material used in furnaces.

The United States expects imports of magnesite from the North to reach 5 to 10 million dollars anually. Magnesite is a rare material which is only produced in China and North Korea.

The U.S. Government also allowed financial transactions related to the future establishment and operation of liaison offices in Pyongyang and Washington.

The measure, however, will not apply to Pyongyang's mission to the United Nations, which has nothing to do with the framework agreement, meaning that the North's UN Mission will have to get approval from the U.S. Government every time it wants to receive money from Pyongyang as usual.

Under the relaxation, Washington will approve applications from U.S. firms to participate in the construction of light-water nuclear reactors in the north, provide alternative energy and dispose of spent nuclear fuel on a case-by-case basis. It now refuses to accept such applications from American companies.

Such approval, however, will be subject to existing U.S. laws.

For example, American firms will not be allowed to ship parts related to nuclear facilities because of the lack of a bilateral nuclear pact, according to the officials.

U.S. companies, however, will be permitted to export water tanks for storage of spent fuel rods to the North.

The United States restricts trade and financial transactions with and investment in North Korea based on the Trading With the Enemy Act of 1950.

Other acts or regulations banning trade with the North are the Anti-Terrorism and Arms Export Amendment Act (1989), Foreign Assistance Act (1961), Trade Act (1974), Export-Import Bank Act (1986) and International Traffic in Arms Regulation (1988).

But Washington has eased sanctions on Pyongyang gradually since January 1989, when it allowed American travel agencies to arrange individual or group tours by Americans to the North for sports, academic and cultural purposes by revising the foreign assets control regulations.

In the following month, the U.S. Government revised the regulations again to allow financial dealings for the import and export of information materials.

It further relaxed the export administration regulations in April 1989 to permit the exportation of food, medical supplies and equipment for humanitarian reasons.

Officials 'Concerned' About Move

SK2201005395 Seoul THE KOREA HERALD in English 22 Jan 95 p 2

[FBIS Transcribed Text] South Korean officials try to tone down their reactions to the announcement of the U.S. measures to ease economic sanctions against North Korea, indicating the move is part of the October nuclear accord between Washington and Pyongyang.

While emphasizing many preconditions to be met by the North for further relaxation of the restrictions, they still seem to be concerned about the aftermath of the first tangible step taken by Washington toward improving ties with Pyongyang.

Some analysts here predict that the U.S. Administration may attempt to maximize its influence over both Seoul and Pyongyang by regulating the pace or scope of lifting economic sanctions on the North.

A Foreign Ministry spokesman yesterday termed the U.S. announcement Friday of a partial lifting of economic sanctions against North Korea as the initial steps taken in response to Pyongyang's compliance with its nuclear obligations.

As part of their Oct. 21 framed agreement, Washington and Pyongyang promised to trade barriers to each other within three months.

North Korea announced last week that it was dropping the restrictions on the import of U.S. commodities and the entry of U.S. trading ships into North Korean ports.

The spokesman emphasized that Seoul and Washington had closely consulted on the scope and timing of the corresponding measures taken by the U.S. Administration.

He said the two sides have maintained a firm stance that further steps to ease the restrictions on the North should be taken in line with further progress in the implementation of the U.S.-North Korea nuclear accord and other areas of concern.

He said Seoul and Washington, in particular, have taken note of the fact that there has been no progress in the inter-Korean dialogue.

Officials at the ministry pointed out that the U.S. move would bring about no fundamental changes in the framework of Washington's sanctions against the North, which have been in force since June 1950 when the North launched an invading war against the South.

The scope of the U.S. measures is regarded by observers here as short of their earlier expectation, who say the hardened public opinion among Americans on the North and the critical voice of the Republican-dominated Congress might have combined to lead the U.S. Administration to scale down their original plan.

Negating widespread speculations in Seoul for the past weeks, the U.S. Administration didn't include the measure to allow U.S. businessmen to visit North.

Observers here see that while taking limited measures, Washington has also tried to gain its practical interests, as shown in the fact that it allowed imports from the North of magnesite, a refractory material used by U.S. steelmakers. Along with China, North Korea is a major supplier of natural magnesia and magnesite in the world market.

They are also taking interest in how North Korea would respond to the measure by Washington to allow U.S. media to set up offices in Pyongyang.

They believe that the U.S. move will prompt Japan and other Western countries to hasten improvement of ties with the North.

North Korean ambassador to the United Nations, Pak Kil-yon, reportedly discussed with officials of the U.S. Cable News Network (CNN) on establishing its office in Pyongyang during his recent visit to Atlanta, Ga.

But it is doubtful whether the North Korean leadership will go so far as to allow all the major U.S. media to station their staff in their capital, braving the risk of baring the reality of the North to the outside world, observers comment.

What worry some analysts here is the possibility that U.S. policy-makers would use the card of regulating the pace or scope of deals with the North to expand its influence over not only Pyongyang but also Seoul.

They indicate it's a thing imaginable that Washington would pressure Seoul to be more susceptible to its demands in proceeding with the project to provide North Korea with new light-water nuclear reactors by accelerating the pace or expanding the scope of the lifting of the economic restrictions against the North.

DPRK UN Official Comments

SK2201022595 Seoul SEOUL SINMUN in Korean 22 Jan 95 p 1

[YONHAP from Washington]

[FBIS Translated Text] In connection with the United States easing economic restrictions on North Korea, a high-ranking official of the North Korean mission at the United Nations, on 20 January, expressed his regret that the United States would ease restrictions on a gradual basis. He stressed that North Korea already "lifted all" economic restrictions on the United States 10 days ago.

Editorial on 'Prudent' Step

SK2201042695 Seoul HANGYORE SINMUN in Korean 22 Jan 95 p 3

[Editorial: "North Korea-U.S. Relations Are a Step Closer"]

[FBIS Translated Text] The United States has begun untying the protracted regulations on North Korea. The United States has allowed direct telephone lines with North Korea, the use of credit cards in North Korea, opening of media offices in Pyongyang, and the import of North Korean magnesite. North Korea can now use U.S. banks for transactions and North Korean assets in the United States are also unfrozen. The United States has begun dismantling the blockades it set up after the Korean war.

The United States took the measures to implement the North Korea-U.S. agreement signed in Geneva. Announcing the measures pursuant to the clause "to ease trade and investment barriers including regulations on telecommunications service and financial transaction" within three months, the United States explained that the measures were in response to North Korea's freezing its nuclear program and facilities and guaranteeing the safe storage of spent fuel rods. Hence, the U.S. measures are in accordance with the schedule. But the United States only presented a minimum of measures at the last moment, as if it were a consideration for the ROK. The step was very prudent.

Even such a prudent step aroused very sensitive reaction in the ROK because the measures are the tangible outcome of the North Korea-U.S. contacts following the North Korea-U.S. agreement, and a prelude to the complete lifting of barriers between North Korea and the United States. Another factor agitating the ROK Government and the media is the fact that all the agreements between the North and the South have been sitting in drawers for years and North-South relations are not showing any progress, while the North Korea-U.S. agreement is being steadily implemented. However, when North and South Korea cannot find a clue for dialogue, it is essential to the security of the Korean peninsula to have at least North Korea-U.S. relations in progress. This is also beneficial to creating better conditions for North-South affairs. The ROK should not be jealous of the close ties between North Korea and the United States. The ROK should recall how much it considered the North Korean position during the process of establishing diplomatic relations with the PRC and the former Soviet Union.

Another deadline of the North Korea-U.S. agreement is approaching. The agreement on supplying the light-water reactors should be concluded in three months. Even though the North Korea-U.S. agreement recommends North-South dialogue, that is only on record at the moment. It is doubtful that a breakthrough for improving North-South relations may emerge before the signing of the agreement on the supply of light-water reactors. We hope that the close ties between North Korea and the United States, which are a step closer, may create conditions for the breakthrough. We also hope that there will be no setback in implementing the North Korea-U.S. agreement.

Editorial on 'Direct Deals'

SK2201054395 Seoul CHOSON ILBO in Korean 22 Jan 94 p 3

[Editorial: "Direct Deals Between Washington and Pyongyang"]

[FBIS Translated Text] The U.S. easing of restrictions on North Korea, which was intended to "implement the Geneva agreement," is very important, though it was a partial measure. The United States has lifted the sanctions it imposed under the Trade With the Enemy Act. This is the beginning of a process that will lead North Korea to accept the United States, which used to be its "sworn enemy with whom it could not live under the same sky," as a country that gives it assistance. The United States has promised to further ease its restriction depending on progress in implementing the Geneva agreement.

We may feel we have been excluded from this process of improving U.S.-North Korea relations. However, seeing this matter in perspective, we should think that on the strength of the dollars, we may be able to ensure that North Korea becomes a member of the international community and pursue co-existence. This will eventually contribute to promoting peace on the Korean peninsula. We may be able to bring an end to the Cold War on the Korean peninsula with the help of the United States, because we cannot do so on our own strength due to North Korea's rejection of the North-South dialogue.

Therefore, we must deal with improved U.S.-North Korea relations not emotionally but cool-headedly. We can say the two countries have embarked on the road toward improving bilateral relations, even though, as indicated in U.S.-China relations, their relations may deadlock at times due to obstacles. Only when we accept this development and examine various possible strategies, can we devise a correct countermeasure.

If U.S.-North Korea relations change fundamentally, our choice should be different from our previous choice. Our diplomacy with regard to our own security has been restricted to the spheres of U.S. influence for the past 50 years. Thirty-six years after we had lost our sovereignty because we had remained in the spheres of Chinese influence, we can preserve our own security by staying in the embrace of Pax Americana. Even though we can preserve our own security, we have failed to acquire a capability to make our way through the rugged international environment. However, North Korea walked a high wire to survive in the midst of a dispute between China and the Soviet Union. We think this is why we could not take the initiative in dealing with the North Korean nuclear problem and U.S.-North Korea relations.

It is time we map out our own strategies, keeping our eyes wide open and viewing the situation from a broader point of view. We will not be able to solve the Korean peninsula problem in our own way if we have excessive expectations that the United States will do something for us. From this perspective, we must not wait until improved U.S.-North Korea relations lead to North-South dialogue: We must map out own dialogue strategy and make efforts to promote an environment that compels North Korea to accept dialogue.

Furthermore, while North Korea pursues replacing the Armistice agreement with a nonaggression agreement or a peace agreement with the United States, we must reflect on our policy of considering the Armistice agreement to be a golden rule.

Researcher on Indirect North-U.S. Trade History

SK2301075595 Seoul YONHAP in English 0703 GMT 23 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 23 (YONHAP)—U.S.-North Korean trade, which is officially banned by the U.S. Trading With the Enemy Act (TWEA) passed in 1950, seems to have been conducted indirectly since 1988, a researcher here said Monday [23 January].

Pak Chong-chol, research fellow in the Department of Policy Studies of the Research Institute for National Unification, made the claim in a report titled "The Present State of and Prospect for North Korean-U.S. Economic Relations."

The report, based on statistics supplied by the U.S. Commerce Department and the Korea Trade Promotion Corp. (KOTRA), said that Pyongyang-Washington trade hit 65,000 U.S. dollars in 1988 before increasing to 549,000 dollars in 1989 and then falling to 475,000 dollars in 1992.

The United States regulated trade by U.S. firms with North Korea and prohibited financial transactions during the period in accordance with the foreign assets control regulations enacted on the basis of the TWEA.

Therefore, trade between the two nations may have been realized in the form of indirect transactions through third countries, Pak said.

U.S. exports to North Korea came to 65,000 dollars in 1988, 16,000 dollars in 1989, 32,000 dollars in 1990 and 100,000 dollars in 1991, before soaring to 467,000 dollars in 1992 despite tensions caused by North Korea's nuclear program.

Major American export items included acryl polymers, lumber, and mining machinery and parts. Mining machinery and parts claimed 393,000 dollars or more than 80 percent of U.S. exports to North Korea in 1992.

Pak attributed North Korea's heavy imports of mining machinery and parts to its efforts to improve products in the mining field.

"I think North Korea is replacing worn-out machinery and parts to further develop its mineral resources," Pak said.

U.S. imports from North Korea reached 533,000 dollars in 1989 but were suspended in 1990 and 1991. The United States imported only about 8,000 dollars worth of footwear from North Korea in 1992.

North Korean export items in 1989 comprised mining products including coal worth 411,000 dollars and iron, steel and scrap iron worth 54,000 dollars.

U.S. Joint Chief of Staff Head on Team Spirit

SK2301062195 Seoul YONHAP in English 0614 GMT 23 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 23 (YONHAP)—Planning for Team Spirit '95 is continuing but the situation could change, U.S. Joint Chiefs of Staff Chairman John Shalikashvili said over the weekend.

Gen. Shalikashvili, who left Seoul Saturday following a two-day visit, said during an interview in Seoul that the U.S. and South Korean Governments are "consulting on making a gesture" to North Korea, according to the U.S. military daily STARS AND STRIPES.

That could mean the cancellation of the joint South Korea-U.S. military exercise Team Spirit, the paper said.

Team Spirit '92 was cancelled to encourage Pyongyang to halt its nuclear program, but Team Spirit '93 was held on a reduced scale when the communist country made no move toward resolving the issue.

Team Spirit '94 was called off as a result of the nuclear accord that Washington and Pyongyang concluded in October.

The military maneuvers had been staged annually since 1976.

Defense Ministry Responds to U.S. Paper Article

SK2301113095 Seoul CHUNGANG ILBO in Korean 23 Jan 95 p 4

[Article by reporter Kim Min-sok: "THE WALL STREET JOURNAL Reports 'ROK Armed Forces Negligent in Maintaining Vigilance Against North Korea'; ROK Defense Ministry Requests Publication of Its Rebuttal"]

[FBIS Translated Text] THE WALL STREET JOURNAL, a prestigious U.S. economic daily, has reported that the ROK Armed Forces is negligent in maintaining its vigilance against North Korea. In response, the ROK Defense Ministry has said the report is completely incorrect. A battle has ensued as a result.

In an article by reporter Steve Glenn, the U.S. newspaper asked on 17 January: "Is it necessary for the United States to maintain its forces in the ROK at enormous expense because the ROK is negligent in maintaining its ground forces?"

Glenn pointed out: While leaving the duty of maintaining a vigilance against North Korea to the U.S. Forces in the ROK, the ROK gives priority to purchasing submarines and developing spy satellites, threatening neighboring countries, and upsetting the balance in Northeast Asia.

Glenn went on to say: The ROK should buy U.S.-made weapons to ensure ROK-U.S. weapons compatibility. However, when purchasing portable antiaircraft missiles, the ROK decided not to buy U.S.-made Stinger missiles but incorrectly chose the French-made Mistral missiles on the grounds that the French offered better terms in technology transfer and that the French missiles have better performance.

Quoting an ROK Army corporal, Glenn insisted: The ROK Army does not have proper fire training because it is short of ammunition. It is short of material supplies as well. Due to recent accidents in the military, morale is very low in the ROK Armed Forces.

In response, the ROK Defense Ministry sent a letter of rebuttal to THE WALL STREET JOURNAL on 20 January, asking to have it carried.

In the four-point letter, in connection with the statement that the ROK considers Japan to be a potential enemy, the Defense Ministry responded that the report is groundless because the ROK and Japan have recently increased military cooperation.

The ministry added that comparing the ROK, which has purchased only three submarines, to Japan, which has almost 20 submarines as well as Aegis-type warships, is illogical.

The ministry stated: The ROK purchased Mistral missiles from France after undertaking assessment procedures in the Defense Ministry. For the United States to mention the ROK's weapons purchase is an "intervention" into the ROK's domestic affairs.

In connection with the recent military accidents that occurred due to lack of discipline, the ministry said: "They are insignificant when considering the entire military. Such things happen in any organization or country." Commenting on the report that the ROK Army has no proper fire training because it is short of ammunition, the ministry responded that the report is "untrue."

It further stated that for the newspaper to describe the entire military by quoting a single enlisted man is like "a blind man touching an elephant to see what it is" [changnim kokkiri manjinun kyok].

An ROK Defense Ministry official said: "The main point of Glenn's demand is for the ROK to restructure the ROK Armed Forces to focus on ground troops. As a matter of consequence, this is linked to the intention of the U.S. Government and the U.S. defense industry to sell to the ROK those ground defense weapons that are surplus due to the U.S. arms reduction."

Experts said Glenn represents the "view of those from the U.S. defense industry" because, when the ROK purchased Mistral missiles from France. Mistrals were better than Stingers in performance and compatibility, and because the French offered better terms in technology transfer. Both Mistrals and Stingers can distinguish friend from foe through radar.

The United States has been trying to find a logic in order to sell its ground defense weapons to the ROK.

In 1992, the Concept Analysis Agency of the U.S. Army presented to the ROK the results of its analysis of possibile war scenarios on the Korean peninsula; stated that the ROK could deter North Korea's southward aggression at the current frontline only if it purchased U.S.-made weapons worth $10 billion, including Apache helicopters; and stressed a need to beef up the ROK's ground forces.

ROK Defense Ministry officials unanimously said Glenn's criticism can be interpreted as a hint that the United States, with the Republicans as the majority party in Congress, will bring more pressure on the ROK to sell U.S.-made weapons.

The ROK Defense Ministry added that in case THE WALL STREET JOURNAL does not carry its letter of rebuttal, the ministry plans to continue its argument by contributing articles to THE WASHINGTON POST, THE NEW YORK TIMES, and other influential newspapers. How this controversy will develop is noteworthy.

North Mission Invited to U.S. by Billy Graham

SK2101000995 Seoul YONHAP in English 2357 GMT 20 Jan 95

[FBIS Transcribed Text] Washington, Jan. 20 (YONHAP)—A five-member North Korean mission headed by a delegate of the Supreme People's Assembly will visit Washington early next month, U.S. sources here disclosed Friday.

The sources said the North Koreans are visiting the United States to attend an annual breakfast prayer meeting slated for Feb. 1 in Washington at the invitation of American evangelist Billy Graham.

The delegation is led by Chang Chae-chol, chairman of the central committee of the (North) Korean Roman Catholic Association who is also a member of the Supreme People's Assembly Foreign Affairs Committee, and includes two senior officials of the disarmament and peace research institute, according to the sources.

The remaining two are representatives of Christian organizations in North Korea.

In addition to the breakfast prayer gathering, the delegation will attend a meeting sponsored by the Carnegie Foundation.

The North Koreans' visit follows the partial lifting Friday of U.S. sanctions against their nation under the nuclear agreement the two countries struck in Geneva last October.

Official Links N-S Relations to Reactor Project

SK2301080095 Seoul YONHAP in English 0734 GMT 23 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 23 (YONHAP)—Choe Tong-chin, head of the intergovernmental agency in charge of providing new nuclear reactors to North Korea, stressed Monday [23 January] that the process will not go smoothly without progress in inter-Korean relations and a resumption of dialogue.

Meeting reporters after a signboard-hanging ceremony for the Office of Planning for the Light-Water Reactor Project, Choe said, "The North's full compliance with the Geneva nuclear accord is a prerequisite to the smooth implementation of the project involving the provision of light-water reactors to North Korea."

Choe's remarks differ somewhat from the government's official position that the reactor project has no direct connection with inter-Korean dialogue.

"Seoul, Washington and Tokyo have reached a firm agreement that the nuclear reactors to be provided to the North will be Korean-standard models and that South Korea will play a central role in the project," Choe asserted.

Based on this three-way agreement, the Office of Planning for the Light-Water Reactor Project will help the Korea Energy Development Organization (KEDO) sign a contract covering the supply of reactors to the North.

"The nuclear reactor project is a national project leading to national unification because it is directly linked not only to the nuclear issue but also to (inter-Korean exchanges and cooperation)," he said.

Choe noted that KEDO will be launched by the end of February. The three major parties setting up the body have already agreed on the broad principles of its operation but have yet to decide on its substructure, including allocation of KEDO staff members among participating countries.

He expressed hope that the North will eventually accept the South's standard reactor model, adding that no alternative exists and otherwise the project will not get off the ground.

Source: Jiang Invites Kim Chong-il to China

SK2101023395 Seoul HANGUK ILBO in Korean 21 Jan 95 p 7

[By correspondent Yu Tong-hui from Beijing]

[FBIS Translated Text] It was learned on 20 January that North Korea's paramount leader Kim Chong-il had already been invited to visit China by Chinese President Jiang Zemin.

A Beijing source said that day that a North Korean figure he contacted told him that "it is a fact that President Jiang has invited Secretary Kim Chong-il to visit China."

This source also said: "This North Korean figure has said he knew nothing about the timing of the visit."

He also said the North Korean figure did not disclose when President Jiang invited Kim Chong-il and the type of visit for which President Jiang invited him to China. Kim Chong-il has yet to succeed to the posts of party general secretary and president.

Qadhdhafi 'Bitterly' Denounces North Korea

SK2301012295 Seoul YONHAP in English 0050 GMT 23 Jan 95

[FBIS Transcribed Text] Cairo, Jan. 23 (YONHAP)—Libyan leader Mu'ammar al-Qadhdhafi has bitterly denounced North Korea for the first time in his political life.

In a recent regional address, Qadhdhafi criticized North Korea, a longtime foe of the United States, for "yielding to American imperialism following the death of Kim Il-song and allowing U.S. penetration."

He went to Yefren south of Tripoli on Jan 12 to deliver the speech, whose contents were reported by the daily AL SHAMS the following day.

Speaking on the importance of popular leadership, Qadhdhafi stressed that people's revolutionary roles should be performed without depending on a single leader.

Citing Egypt as an example, he said that country's leaders, who depended too much on former President Jamal 'Abd al-Nasir, are now in trouble after his death and merely watching Zionist leaders travel the entire Arab world.

The same is true of the North Koreans who he said had depended on a "mortal individual." North Korea's anti-imperialism was a "fraud" and its people have suffered "great deception" with the death of Kim Il-song, who has died and no more exists, he added.

Conference on Counterinfiltration Measures Held

SK2201051495 Seoul THE KOREA TIMES in English 22 Jan 95 p 3

[FBIS Transcribed Text] The 28th annual Central Conference for Counter Infiltration Measures was held yesterday at the Defense Ministry with key military leaders including Gen. Kim Tong-chin, chairman of the Joint Chief of Staff, and relevant administrative and civil leaders attending.

The meeting was the first since its function was strengthened as an integrated anti-infiltration institute comprising civil, administration and military personnel.

In the meeting, Gen. Kim, also chairman of the conference, said that North Korea has already deployed air-cushioned Hovercraft, submarines, helicopters and AN-2 aircraft in preparation for infiltration into South Korea by special forces units.

Gen. Kim said, "The North has also been equipped with sophisticated devices for infiltration and has fortified activities to develop infiltration routes and military reconnaissance to this end."

He called on the participants to exert efforts to establish the integrated posture in preparation for the possible abrupt provocation from North Korea.

"Despite its difficult situation at home and abroad, North Korea still firmly sticks to its goal of communizing South Korea by force," he said.

The conference began in 1969 in the wake of Jan. 21 infiltration by a troop of North Korean special forces into Seoul.

Interview With Russian Ambassador Reported

SK2201050195 Seoul THE KOREA TIMES in English 22 Jan 95 p 1

["Excerpts of interview" with Georgiy Kunadze, Russian ambassador to the ROK, by staff reporter Son Ke-yong; place and date not given—first five paragraphs are THE KOREA TIMES introduction]

[FBIS Transcribed Text] Russia sees that its three-decade-old treaty of mutual assistance with North Korea, containing provisions of military involvement in Korean conflicts, has contributed to maintaining security on the Korean peninsula, Russian Ambassador to Seoul Georgiy Kunadze said here, indicating the possibility of its future renewal.

In an interview with THE KOREA TIMES, Amb. Kunadze warned against isolating North Korea and assured Seoul that Moscow is willing to play a major role for the Korean unification as a mediator between the two.

Amb. Kunadze, who was vice foreign minister of the Republic of Russia in the now-defunct Soviet Union and Russian Federation later, expressed optimism over smooth settlement of controversies over the repayment of the 1.47 billion dollars Russia owes to Korea.

Meanwhile, the ambassador, when asked about Russia's position on the Chechen bloodshed, claimed that Moscow used just minimum of firepower to maintain its territorial integrity.

Following are excerpts from questions and answers in the hour- long interview with Amb. Kunadze, which covered bilateral and international issues and matters related to inter-Korean affairs.

Q: The two countries agreed last year on a formula for Russia's debt repayment to Korea. Can you tell me further about it?

A: We have already accumulated experience in handling this issue. We set out a precedent. I don't see any reason why we won't be able to use this precedent in handling this issue in the years to come. I am quite optimistic.

Q: Do you think it is appropriate that half of the repayment will be made with raw materials and the other half with defense equipment?

A: I don't want to single out defense equipment because, in terms of international trade, it is just finished goods. This debt repayment formula does not run counter to the Paris Club agreement. We will be able to work out a comprehensive formula without hampering or violating the Paris Club agreement.

Q: Are the negotiations over the exchange of embassy sites making progress?

A: Negotiations are very close to completion. I hope it will be finalized in a couple of months from now. The former Paichai High School site has been chosen for Russia and the Korean chancellery site has been also decided in Moscow. It is a ten minute walk or a five minute drive from the Foreign Ministry of Russia. We are waiting for the official acceptance but I don't see any reason for Korea to object this site. It is one of the most prestigious districts in Moscow.

Q: Are there any obstacles to overcome before the conclusion of the negotiations?

A: I understand that the Korean Foreign Ministry would like us to provide the Korean embassy in Moscow in addition to the ambassador's residence. I don't think that this is very serious obstacle.

Q: This year marks the 50th anniversary of Korea's national division for which Russia is partly responsible. What role do you think Russia can play to realize Korean unity?

A: To see Korea become one country is in Russia's national interest. We would like to do best to facilitate this process. We also believe that it is entirely up to the Korean people, two Korean states, to decide upon their future. On the other hand, we are prepared to extend our helping hand whenever needed. Speaking about specific contribution by Russia, I think that Russia is in a unique position having maintained good relations with both Korean states. So I think that by promoting good relation both with Seoul and Pyongyang, we will be able to contribute to the improvement of dialogue between the two.

Q: Do you have any specific policy in mind which may ease the tension between the two Koreas?

A: I have great expectations for Korea's new foreign policy- national unification team. I have known Foreign Minister Kong No- myong for many years since he came to Moscow even before establishing diplomatic relations six years ago. I know him as a very experienced diplomat. I am quite confident that the inter- Korean dialogue will be reopened and the dialogue will bring some results.

Q: Do you have any knowledge on the present status of North Korea's de factor leader Kim Chong-il?

A: I think that there are very few people who can claim anything for sure as far as North Korea is concerned. This is a very secretive country. I wouldn't say the nuclear issue has already been settled. I believe it is on a way to settlement. In order to achieve any goal, especially a goal concerning national unification, everyone must put their best efforts and I urge both South Korean partners and North Korean partners to explore any possibility of resuming dialogue. We don't have any ambition here and our only ambition is to help these dialogue. [sentence as published]

Q: Could you outline Russia's present relations with North Korea?

A: We have maintained a business-like relationship with North Korea. We don't think it is appropriate to isolate North Korea from the world. In fact, the more we draw North Korea into dialogue and international exchanges, the more open North Korea will become. The biggest issue related to North Korea last year was the nuclear issue. We developed a two-track approach to the issue. On the one hand, we supported the efforts by the international community, specifically by the International Atomic Energy Agency [IAEA] and the United States, to see this issue settled. And we trimmed and limited our cooperation with North Korea in several fields in order to comply with requirements of this approach. And we have frozen our cooperation in the nuclear field and made it conditional on the settlement of the nuclear issue. On the other hand, we maintained channels of communication with North Korea. We used this channel to encourage North Korea to come to the IAEA and to remain in the Non- Proliferation Treaty. I think that Russian contribution to the settlement of this issue was considerable. I hope our relations with North Korea will also develop for the benefit of the Russian and Korean peoples. By developing our relations with North Korea, we are contributing to strengthening of the foundation for inter-Korean dialogue.

Q: Officials here said that the Russia-Korea treaty for mutual assistance is to expire next year. Is Russia holding any negotiations with North Korea with regards to the treaty?

A: This treaty has been in force since 1961. Last time, it was automatically prolonged another five-year period in the summer of 1991. We will have to decide whether we want this treaty to be continued or abrogated not his year but the summer of next year. If it goes without any negotiations, this treaty will automatically expire in 1997. In the summer of 1991, we had to consider whether we continue it or abrogate it, one year before the expiration. By the summer of 1996, we have to decide whether we will maintain this treaty or stop it.

Q: So, what prospect do you see of this treaty?

A: I think that the treaty was quite helpful in maintaining security situation under control on the Korean peninsula. But it is a little early to say now of the prospects for this treaty simply because it is too early for us to predict what the situation on the Korean peninsula will be like in a year or two.

Q: Tell me about the provision of Russia's automatic military involvement in Korean conflicts?

A: In fact, in the treaty, there is no provision of automatic involvement of Russia in case of any conflicts here. The treaty spells out that, in case of North Korea under attack by the outside forces, Russia will have to come to defend North Korea. But it is entirely up to Russia to decide.

Q: There is a belief that President Yeltsin's reform drive is retreating due to the Chechen conflict.

A: I think the biggest precondition for any reform drive is to maintain the territorial integrity of my country. What is very important is that the forces we used in Chechnya were the absolute minimum. So far, I think that we maintained this position to minimize our military engagement in Chechnya. What is more important is that the president and the federal government are quite committed to rebuilding Chechnya and of helping people of this unfortunate area to join the family of nations, the Russian Federation.

Q: What was the most significant development in the bilateral relations between Korea and Russia last year?

A: Obviously, in my view, the most important event in our relations last year was the visit of Korean President Kim Yong-sam to Russia. He had a summit meeting with President Yeltsin. The summit was extremely important for bilateral relations not only because there were some specific issues which the chief executives discussed and settled but also because it boosted tremendously the spirit of friendship and comprehensive partnership between Russia and Korea. Well, also important was that, in the course of the visit, two presidents have strengthened and deepened their personal relationship.

Q: What programs do you have to promote bilateral ties in trade, culture and other areas?

A: First of all, let me say that Russia and Korea have maintained very close contacts in international politics. I am very proud to say that I failed to remember even one big issue of international relations where Russian and Korean positions differed greatly. In economic relations, let me say that during last year, the trend for speedy development of our trade has been maintained and the two-way trade increased 51.5 percent as compared to the year of 1993. What is also very important in my view is that we have a very balanced trade. This is reason to expect healthy developments in our trade will go on unhampered. If we are able to maintain this trend, I think very soon that Russia and Korea will become vitally important trade partners. On the other hand, we failed to achieve any break-through on the issue of direct Korean investment in Russia. So I really hope that this year Korean private capital moves to Russia.

Q: What about specific projects?

A: Let me single out several projects between Russia and Korea. The first one is the project of constructing a Korean technopolis in Nakhodka in the Far East. We expect some 500 million U.S. dollars of investment, to develop this project. Another project is the construction of a Korean trade center in Moscow. We also have the Yakutia gas project in the republic of Saha. It is very rich in natural resources, gas, oil diamond, minerals. The project of jointly developing gas resources in Yakutia and transporting them all the way here had been considered for several years. Now it looks like this year we will start this project, although it will take several years before it will be implemented.

Q: How do you think relations between Korea and Russia will develop this year?

A: We will have several important visits by members of the Russian government. I also hope important visitors from here to visit Russia. For instance, last year we had very successful visit by the speaker of the Upper House, Mr. Shumeiko. I think that the speaker of the Lower House, the State Duma, will visit here this year. I also have great expectations for the forthcoming visit by the speaker of your National Assembly. I hope it will take place really soon, maybe in the first half of this year.

Korean Victims of Japanese Earthquake Reach 88

SK2101094795 Seoul YONHAP in English 0913 GMT 21 Jan 95

[FBIS Transcribed Text] Kobe, Jan. 21 (YONHAP)—The death toll of ethnic Koreans in the Tuesday's earthquake increased to 88 Saturday afternoon as searches for victims continues, an quake countermeasure headquarters temporarily operated by the South Korean Embassy in Japan and Mindan [South Korean Resident's Association in Japan], a pro-Seoul Korean residents' union in Japan, confirmed.

Apart from that, Chochongnyon [General Association of Korean Residents in Japan], a pro-Pyongyang Korean residents' organization announced that it had confirmed the some 50 casualties through police and its own investigation.

Therefore, the number of ethnic Korean victims is likely to leap over 100 as time goes by.

Relief Supplies Planned for Japan Quake Victims

SK2101063095 Seoul YONHAP in English 0612 GMT 21 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 21 (YONHAP)—South Korea will send relief supplies to Japan Saturday to help victims of last Tuesday's devastating earthquake after Tokyo informed Seoul earlier in the day of its willingness to accept the aid the latter offered a few days ago, a Foreign Ministry spokesman said.

Assistant Minister for Political Affairs Yi Jai-chun will lead a four-member team that is to hand over 40 tons of bottled water, 6,000 boxes of ramyon (fried noodle), 3,600 blankets and 1,200 sets of cooking utensils to Kobe city authorities, the spokesman said.

A Boeing 747 carrying the relief supplies will depart Kimpo Airport at 6:30 PM and arrive at Japan's Kansai Airport around 8:00 P.M.

Japanese patrol boats will take delivery of the supplies from the Korean team at Kansai Airport for transport to Kobe port and finally to Kobe city authorities, the spokesman said.

Kim Chong-pil Said Moving To Organize Group

SK2101025795 Seoul YONHAP in English 0159 GMT 21 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 21 (YONHAP)—Kim Chong- pil, former chairman of the ruling Democratic Liberal Party (DLP), will reportedly declare his intention to leave the party soon after its national convention Feb. 7 in order to create a new party on a long-term basis.

Informed party sources said Saturday that Kim will try to organize a new party capable of making substantial gains in parliamentary elections next year, rather than quickly mobilizing forces for local polls coming in June.

Kim's new party will not be a remake of the defunct Republican Party he headed before, nor will it be representing Kim's home base of Chungchong Province alone.

Kim's close associates noted that the planned party will advocate a parliamentary cabinet system with disciplined conservative forces pursuing stability.

To that end, Kim is reportedly moving to organize a group under his leadership at the National Assembly and will then create a new party after observing the results of the local polls.

During the local elections, Kim will try to do as well as possible in the central part of the country considered his stronghold.

An aide to Kim revealed that the former chairman will quit the DLP after the current name of the ruling party, a byproduct of the three-way merger in 1990, is changed at the national convention early next month.

He said Kim's new party will not be organized hastily by collecting odds and ends. He added that, therefore, creating a new party before the local elections would be quite difficult and have little political meaning.

Kim's forces are said to be courting various lawmakers to become "Kim Chong-pil men," particularly those belonging to the "Minjong (Democratic Justice) faction" within the DLP as well as independent lawmakers and New People's Party members.

Currently, those lawmakers thought likely to share their political destiny with Kim Chong-pil are Cho Pu-yong, Ku Cha-chun, Yi Chong-kun and Yi Kung-kyu from the DLP and independent lawmakers Kim Yong-hwan, Chong Tae-yong and Kim Chin-yong.

Observers predict that Kim's new party will present its platform advocating the cabinet system while attempting to secure wide- ranging support from every province.

President Expresses Opinion on Kim Chong-pil

SK2101061595 Seoul YONHAP in English 0556 GMT 21 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 21 (YONHAP)—President Kim Yong-sam reportedly said Saturday that he will continue to regard Kim Chong-pil as chairman of the ruling Democratic Liberal Party (DLP) until his resignation is formally accepted at the national convention.

Kim expressed his opinion on Kim Chong-pil through his chief party secretary, Kang Chae-sop, who visited the latter's residence in Chongku-dong, Seoul, before he leaves for the United States on a five-day private tour later in the day.

Kang told reporters after his one-hour meeting with Kim Chong-pil that although the latter said he was stepping down from the chairmanship, President Kim still regards him as DLP chairman, saying that "the party chairman is a post named through the national convention's consent."

Kang noted that although President Kim did not say so openly, "he must be thinking that the four key DLP post holders' attitude toward Kim Chong-pil over his resignation was not desirable."

"In particular, President Kim also judges that the key post holders' recent nagging utterances on restricting the chairman's authority were not desirable," he said.

Kang maintained that the president wants Kim Chong-pil to remain "as a companion in the same party and as a key player in merging three former parties into the DLP."

Kim Chong-pil Departs for U.S. Tour 21 Jan

SK2101094695 Seoul YONHAP in English 0837 GMT 21 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 21 (YONHAP)—Rep. Kim Chong-pil, who resigned voluntarily as chairman of the ruling Democratic Liberal Party (DLP) Thursday, left for the United States by Korean Air Saturday afternoon .

During his five-day visit to the U.S., Kim is set to receive an honorary science doctorate and a letter appointing him an honorary member of the Board of Directors of the Oregon Graduate School of Science and Technology.

"I have nothing to say because I'm going to the U.S on personal business," Kim replied to reporters' questions at the Kimpo airport.

He made sure he would never make political remarks in the U.S. by saying, "I'm not such a man to tell domestic affairs abroad."

On a meeting between he and DLP's Chief Secretary Kang Chae-sop right before his departure, he only commented Kang had conveyed President Kim Yong-sam's saying goodbye.

Most of the DLP's key postholders were present at the airport to see him off.

In the meantime, Kim will return home next Wednesday.

Speaks at Reception Upon Arrival

SK2201110195 Seoul YONHAP in English 1010 GMT 22 Jan 95

[FBIS Transcribed Text] Portland, Oregon, Jan. 22 (YONHAP)—Kim Chong-pil, visiting former chairman of South Korea's ruling Democratic Liberal Party (DLP), did not give a clear utterance on his scheme to create a new political party at a welcoming party here Sunday night (Portland time), but gave an impression that he would exercise his political influence continuously.

During a dinner party welcoming Kim's arrival in the U.S. city arranged by the Association of Korean Residents in Oregon, Kim said that he would wish to have "juniors" to come in the foreground to do something (politically) rather than he himself would do it directly.

Kim said, however, that he would neither hasten nor delay any project as it basically requires time to work out.

Although Kim's remark appears vague, it is construed that he seems to prepare for creating a new party with sufficient time and after deep consideration rather than he would embark on its organization immediately after his departure from the DLP.

Moreover, his remark indicates that he would put up new figures of next generation representing the projected new political party while he would stand one step behind the foreground.

Kim, who announced his resignation from DLP chairman days ago, emphasized he will strive to achieve the national unification until he dies so that "our children can play freely and young people can realize their dreams in a unified country."

He also defended the achievements of the past governments by saying that "South Korea's upgraded international influence was the results of Korean people's efforts for the past 30 years to live better."

Committee for Promotion of Globalization Created

SK2201011095 Seoul THE KOREA HERALD in English 22 Jan 95 p 2

[FBIS Transcribed Text] A Government-Citizen Joint Committee for Promotion of Globalization was inaugurated yesterday with Kim Chin-hyon, former science and technology minister, and Prime Minister Yi Hong-ku as its co-chairmen.

During its first meeting on the day, the committee summarized three goals for the globalization campaign in the country—the pursuit of the best in the world, an active participation in the formation of a new world order and the pursuit of universal human values.

It also adopted 12 priority tasks that need to be achieved for realizing globalization, which, among others, include educational reforms, improvement of labor-management relations and balanced regional development. It selected 53 other areas in 20 categories as fields in need of globalization.

The committee will meet twice a month until the end of this year to study ways to achieve globalization in the 65 areas. It is expected to submit a report on the study to President Kim Yong-sam by the end of this year. President Kim will meet the committee several times to check on its progress.

During the first meeting, Prime Minister Yi Hong-ku asked the participants to make efforts to find ways to realize globalization in every sector of society, saying that the globalization scheme now being pursued by the government is aimed at bringing about a real renovation in administration of government policies with reformative and fresh eyes.

"The globalization we are pursuing now is not simply for changing the package of the government policies without substantial alterations," Yi was quoted as saying.

Two deputy prime ministers, Kim Tok and Hong Chae-hyong, are vice chairmen of the committee. The other members are ministers of related ministries, and 20 private citizens including heads of various related private and government bodies.

The private citizens include Pak Tong-so, chairman of the Committee on Administration Reforms, So Chin-yong of the 21st Century Committee, Kim Kyong-won, former ambassador to the United States, and Prof. Choe Chung-ho of Yonsei University.

Under the committee is a working-level body, which is headed by Kang Pong-kyon, chief policy coordinator of the Prime Minister's Office, and composed of government officials and experts in related fields like scholars, researchers and businessmen.

Agencies Differ Over Policy on Conglomerates

SK2201011395 Seoul THE KOREA HERALD in English 22 Jan 95 p 8

[FBIS Transcribed Text] With the revised Monopoly Regulation and Fair Trade Act set to take effect in April, the government is working on a new policy on conglomerates, most of them dominated by families.

However the government agencies involved have different ideas about this policy, which will have a great impact on Korean industry as a whole.

One test of where the policy will be headed will come from enforcement decrees of the revised fair trade act, which stipulates subsidiaries of the nation's top 30 business groups bring down their maximum investment in other corporations from the current 40 percent of their net assets to 25 percent over the next three years.

The Fair Trade Commission (FTC) is insisting that the enforcement decrees must not permit any exception to the investment restriction.

But the Ministry of Finance and Economy and the Ministry of Trade, Industry and Energy have demanded that the decrees permit the transition period to be extended for certain corporations.

Pyo Se-chin, FTC chairman, met with Vice Minister of Finance and Economy Yi Sok-chae and Vice Minister of Trade, Industry and Energy Pak Un-so last Friday to iron out their differences.

At the meeting, Pak demanded the transition period be extended to seven years when a nonspecializing company of a business group is investing in the group's specializing companies.

Each of the top 30 business groups selected up to six corporations for specialization in three or less core business areas when the government promised preferential support for the selected companies last year. The Ministry of Trade, Industry and Energy is spearheading this specialization policy to foster world-class corporations.

But Vice Minister of Finance and Economy Lee said the specialization policy has lost its luster since the government permitted the Samsung Business Group last December to expand into a new business area passenger car assembly instead of forcing it to concentrate on its existing businesses.

Instead of continuing to push for specialization, Lee said, the government should give incentives to corporations investing in the nation's infrastructure.

He proposed businesses investing in the construction of roads, harbors, railroads and other infrastructure, which are in short supply, be allowed to reduce their investment in other companies over the next seven years instead of three.

Failing to find common ground, the three policy-makers agreed to meet again this week on the issue of how to write enforcement decrees for the revised fair trade act.

Whatever the outcome of their talks will be, the Fair Trade Commission is expected to have a greater voice in policing large enterprise groups, or chaebol, as it now has greater freedom than before.

In the government reorganization last month, the Fair Trade Commission was made independent of the Economic Planning Board, which merged with the Ministry of Finance to become the Ministry of Finance and Economy.

The Fair Trade Commission appears to have a strong backer, none other than President Kim Young-sam himself.

After receiving a New Year report from the Fair Trade Commission, President Kim said that large business groups, most of them controlled by a select few families, are urged to spread their ownership.

That is what the Fair Trade Commission is determined to do in the face of opposition from the large business groups and their supporters.

While the Fair Trade Commission is determined to restrict investments by one company in another and its debt guarantees, other government agencies are promoting deregulation for businesses, including liberalizing entry into new businesses as is seen in the case of permission for Samsung to assemble passenger car.

This dual approach may epitomize the emerging government policy on large businesses.

No 'Exceptions' to Real-Name Land System Plan

SK2201051695 Seoul THE KOREA TIMES in English 22 Jan 95 p 8

[By staff reporter Cho Chae-hyon]

[FBIS Transcribed Text] The government is moving to implement real-name land registration system without exception, dampening enterprises hopes that they will be allowed to hold real estate using others' name.

Yi Sok-chae, vice minister of Ministry of Finance and Economy [MFE], yesterday told reporters, "The government has made it a rule that it will permit no exceptions when implementing the real- name land transaction system because it is against the spirit of equilibrium of the law."

"I know enterprises are calling for exceptional application of the new system. But related ministries decided not to accept their demand in order to cover possible loopholes of the projected new land transaction system in the future," he reaffirmed.

Business circles are raising voices to allow them to purchase land to be used for business purposes without using real names. It is a customary for enterprises to buy real estate under their executives' names because they will have to pay exorbitant prices for it otherwise.

Business leaders, led by the Federation of Korea Industries [FKI], are claiming that they will have difficulties buying real estate under real names because of still stringent regulatory restrictions.

And even if it is possible, they said they have to pay far higher prices when buying them by use of company names than they do by borrowing their executives' names, which will ultimately undermine their competitiveness against foreign counterparts. Individual land owners usually quote higher prices when enterprises are trying to buy their real estate, a reason why firms borrow executives' names to buy land for their business purposes.

The FKI has recently filed an appeal with the ruling Democratic Liberal Party to allow them "privileges" when buying land for business purposes, which is unlikely to be realized given the MFE's current stance against it.

Taking into account the negative impact the unexceptional implementation of the new land transaction system will have on corporate business activities, senior MFE officials have indicated that the government will give firms grace period.

But the MFE, facing strong opposition from lawyers, turned away from its original stance and made it clear that it will not allow exceptions even though its final stance on the matter has yet to be coordinated between related ministries.

The decision of the unexceptional application of the new land transaction system was made at a meeting among vice ministers of the Ministry of Finance and Economy, Justice Ministry and Ministry of Construction and Transportation at Chongwadae [presidential offices] Friday.

"If companies have difficulties buying business-purpose land because of what they called strict regulations, the government must rectify those regulations but it should not give privileges to companies when applying law on real-name land system," Yi said.

He added that manufacturing firms will be able to buy real estate at cheap prices by use of their real names because the government will continue to support firms to purchase land where they will build plants.

But he said ministries are still split over whether or not the government will make exceptions for households which purchased land under borrowed names.

1994 Tourism Balance Shows $230 Million Deficit

SK2101032595 Seoul YONHAP in English 0225 GMT 21 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 21 (YONHAP)—South Korea's tourism balance last year recorded a deficit of 230.3 million U.S. dollars, a reversal from the previous year's 215.7- million-dollar surplus.

The nation's tourism revenues in 1994 were provisionally tallied at 3,836 million dollars, while tourism expenditures topped 4,066.3 million dollars, showing a deficit of 230.3 million dollars, the Korea Tourism Corp. announced Saturday.

The figures compare with the previous year's 3,474.6 million dollars in revenues, 3,258.9 million dollars in expenditures and 215.7-million-dollar surplus.

Last year's deteriorating travel balance was attributed to a sharper increase in the number of South Koreans traveling abroad than that of foreign tourists visiting the country, and to greater average per capita expenditures for Korean tourists overseas than for foreign tourists in South Korea.

Foreign tourists visiting South Korea last year totaled 3.6 million, up 8.1 percent from the previous year's 3.33 million, while South Koreans traveling abroad in 1994 came to 3.17 million, up 31.0 percent over the 2.42 million recorded in 1993.

The Korea Tourism Corp. hopes to draw 3.9 million foreign tourists this year, an increase of 8.3 percent over last year.

But South Korea may find it difficult to attain that target because of the devastating earthquake that rocked western Japan Tuesday, tourism sources predicted.

In the meantime, the balance of study expenditures in 1994 registered 28.5 million dollars in revenues and 1,007.9 million dollars in expenditures for a deficit of 979.4 million dollars, an increase of 169.1 million dollars over the previous year's 810.3 million dollars.

Burma

Aung San Suu Kyi's 'Message to the World'

BK2301102995 Hong Kong AFP in English 1017 GMT 23 Jan 95

[FBIS Transcribed Text] Bangkok, Jan 23 (AFP)—Herewith the full text of the statement issued by Burmese dissident Aung San Suu Kyi on Monday [23 January].

It was released via her husband, Michael Aris, in Bangkok.

"It has always been the firm conviction of those working for democracy in Burma that it is only through meaningful dialogue between diverse political forces that we can achieve national reconciliation, which is the first and most vital requisite for a united and prosperous country.

"That the international community shares this view is evident from clause five of the General Assembly resolution of December 1994 which encourages the government of Burma to engage in 'a substantive political dialogue with Aung San Suu Kyi and other political leaders, including representatives from ethnic groups, as the best means of promoting national reconciliation and the full and early restoration of democracy.'

"It was in full accceptance of this view and with genuine good will that I approached the meetings with members of the State Law and Order Restoration Council (SLORC) on 20 September and 28 October 1994. There has not been and there will not be any secret deals with regard either to my release or to any other issue. I adhere to the principle of accountability and consider myself at all times bound by the democratic duty to act in consulation with colleagues and to be guided by the aspirations of those engaged in the movement to establish a truly democratic political system in Burma. I remain dedicated to an active participation in this movement.

Aung San Suu Kyi
22 January 1995
Rangoon, Burma"

Rangoon Stalls PRC on Request To Lease Island

OW2301043895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Jan 95 Morning Edition p 8

[By Rinji Takeoka]

[FBIS Translated Text] Rangoon, 19 Jan—A shadow has fallen over the "honeymoon relationship" between China and Burma. Although China has asked Burma to lease an island so that it can build a commercial port with radar equipment on it, Burma has not given a clear answer yet, saying that China's request is still "under consideration." As a result of this, it has been learned that China has suspended its economic assistance programs for Burma, including a loan of about $600 million to build an international airport. Since Japan, the United States, and European countries stopped their economic assistance to Burma, the two countries have promptly grown closer in the areas of economic and military relations. It appears that Burma now has begun to become cautious about growing too close to China.

The island on which China has proposed to build a commercial port is Heinze Island, which is located at the mouth of a river [Mouths of the Irrawaddy] flowing into the Andaman Sea. Because it would be equipped with radars, the port would be a facility of great significance to China militarily as well as for purposes of trade. According to a source concerned, China revealed its wish to construct this port to Khin Nyunt, first secretary of the State Law and Order Restoration Council (SLORC), the Burmese military junta, when he visited China last September.

Later on, when Prime Minister Li Peng visited Burma in late December, China had ready a draft contract on the partial lease of the island. But Burma did not make its stand on China's request clear, insisting: "We have never in our history leased a part of our territory to any country. We need to further study China's request." The Chinese delegation was said to have retorted to this by announcing that it was not going to discuss the economic assistance programs that it had brought with it.

China's assistance programs appear to have included a plan to loan about $600 million to help Burma build an international airport in Mandalay, the second-biggest city in the country. Burma, meanwhile, has notified China that it will "decide on its final position regarding this issue within six months."

Since the military junta took power in Burma in 1988, Japan, the United States, and European countries have all suspended their economic assistance programs to Burma. Lately, however, a mood for dialogue has grown between the military junta and Japan, the United States, and European countries. Given such a mood, private companies in Japan, the United States, and European countries have started to make moves toward investing in Burma. Behind Burma's recent change of attitude toward China appears to be Burma's desire to ease foreign countries' wariness about Burma and China "getting too close."

Brunei, Malaysia & Singapore

Malaysia

Mahathir Urges Resisting Idea of PRC 'Threat'

BK2301083895 Kuala Lumpur Voice of Malaysia in English 0600 GMT 23 Jan 95

[FBIS Transcribed Text] China should be viewed as a country with enormous opportunities rather than is perceived as a threat. The prime minister, Datuk Sri Dr. Mahathir Mohamed, says to perceive China as a threat and to fashion the security order around this premise should not only be wrong policy, but it would also be a bad and dangerous one. He added Malaysia needs to fundamentally resist the notion about the so-called Chinese threat.

The prime minister said this in a keynote address when opening an international forum on Malaysia and China in Kuala Lumpur. The two-day forum on the theme: Malaysia and China on the 21st Century—Prosperity Through Cooperation, is jointly organized by the Asian Strategy and Leadership Institute and the Shanghai Institute of Economic Development. Dr. Mahathir added, however, nowadays nobody seriously entertained the view that China was bent on exporting its communist ideology and the threat of ideological subversion and wholesale conversion could be laid to rest.

He also said Malaysia and China can be regional partners to bring about peace in East Asia. Dr. Mahathir said ASEAN has created a zone of peace and is in the process of expanding this to the rest of Southeast Asia. China, along with the rest in East Asia, should do the same in East Asia.

Trade Minister Meets With Pakistani Counterpart

BK2101140495 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 21 Jan 95

[FBIS Translated Text] Pakistani Minister of Commerce Chaudhary Ahmad Mukhtar said bilateral trade between Malaysia and Pakistan stood at 1.5 million ringgit in 1994. Malaysia's total exports to that country stood at 1.28 million ringgit in 1994 and 1.2 million ringgit in 1993.

He was speaking to reporters after he paid a courtesy call on International Trade and Industry Minister Datuk Sri Rafidah Aziz. He noted that Pakistan is the biggest importer of Malaysian palm oil, namely at 1.1 million tonnes in 1994. The Pakistani minister said he wants to offer the products of his country's plantation sector to improve the trade imbalance with Malaysia.

Trade Minister Reviews Foreign Investment Goal

BK2101132995 Kuala Lumpur THE STAR in English 21 Jan 95 p 1

[Report by Yap Leng Kuen]

[FBIS Transcribed Text] Kuala Lumpur—Foreign investments in the country from 1991 to last year has exceeded its five-year target by [Malaysian ringgit] RM15 billion.

International Trade and Industry Minister Datuk Sri Rafidah Aziz said yesterday that the targetted total investment for the 1991-1995 period was RM80.526 billion but the country received applications amounting to RM95.973 billion up to last year.

"Approvals totalled RM95.015 billion, meaning that we are very efficient in clearing all these applications," she said after presenting the Malaysian Industrial Development Authority (Mida) 1994 report on the manufacturing sector.

"With one more year to go, we may exceed (the target) by RM30 billion.

"Imagine if we get another RM20 billion, we will exceed (the target) by RM35 billion. We have to work hard," she added.

Rafidah said requests from domestic investors totalled RM45.15 billion or 41 percent of all applications.

"But local investment is coming closer (to the foreign investment figure). Local investment of RM45 billion in four years is quite creditable," she said, adding that the ratio of domestic to foreign investments was aimed at 60:40.

Sabah registered a significant increase in applications.

"Last year, 62 companies applied compared with only 43 in 1993. This is a big jump since we took over the Government," she said.

Regarding the RM1 billion Domestic Investment Fund (DIF), she said the Government was reorganising and consolidating all existing funds and financial assistance programmes for industry.

The fund is derived from two sources—existing sources of financial aid for industries that amount to about RM600 million and another RM200 million from banks.

"The fine-tuning is now being done. What's being disbursed through existing institutions is ongoing.

"The co-ordination will come when we are ready. An announcement on how people can apply, what they need to do, will be made later," she said.

Rafidah said she was happy with the flow of high technology industries into the country, considering that it was only recently that the move began.

"But we have to be very clear that we bring in the kind of industries that we can sustain, bearing in mind the existing infrastructure support.

"We are happy with the trend. For us, the response is good and some of these high-tech industries take a bit of time to make a decision.

"Along the way, Malaysia would have to ensure that it can meet all the requirements of such industries," she said.

Rafidah added that for many industries, higher investments were involved with fewer people being employed.

"It's more capital and technology involved," she said.

Singapore

Increased Cooperation With Malaysia Endorsed

BK2001145895 Singapore BUSINESS TIMES in English 20 Jan 95 p 16

[Editorial: "The logic of Kuala Lumpur-Singapore partnership"]

[FBIS Transcribed Text] Deputy Prime Minister Lee Hsien Loong's first official visit to Malaysia this week may not have ended with dozens of business deals. That was not the intention of his three days there, it was instead to stay in touch with developments across the Causeway and to reciprocate the visit to Singapore by his Malaysian counterpart Anwar Ibrahim. But while BG [Brigadier General] Lee did not bring any businessmen with him, the message he brought was clear: Singapore and Malaysia, in particular their respective private sector companies, should be partners, working together to seize the bountiful opportunities in the dynamic Asian region.

BG Lee no doubt pleased his hosts when he acknowledged that Malaysia had long ago caught up with the newly industrialising economies (NIEs) even if it had not yet been grouped with them officially. While per capita income comparisons between Singapore and Malaysia, for instance, may reveal a large gap, this is exaggerated on account of Malaysia's rural sector. The gap in urban per capita incomes is a lot closer, as any visitor to Kuala Lumpur can easily observe. This has been the result of the Mahathir government's forward-looking and open economic policies. They have led not just to a sustained record of high growth but more importantly, to considerably greater self-confidence.

But preaching the mutual benefits of working hand-in-hand rather than as rivals is one thing; winning converts prepared to make it happen is quite another. The time has indeed come for the two sides to shed for good the zero-sum psychology that has often coloured bilateral relations since separation in 1965. In an increasingly competitive world, it makes little sense to continue to allow historical baggage to cloud judgments, be they political or business. To be sure, the investment promotion agencies of either side will, from time to time, find themselves bidding for the same projects from abroad. This is inevitable. But the broader picture, especially in the context of Asia's economic boom, is that the race the two are engaged in is not with each other but with the rest of the world.

But to embark on a new phase in bilateral ties—involving more cooperative business ventures between private companies—the political ground must first be firm. This requires trust and confidence, which bilateral visits by political leaders will help build. Only then can a decision or position taken by one neighbour not be viewed with suspicion. Whether it be the Asia-Pacific Economic Cooperation (Apec) grouping versus the East Asian Economic Caucus (EAEC), or a multinational company relocating across the Causeway, or an international stockbroker covering the Kuala Lumpur stock market from Singapore, it is myopic to regard or trumpet this as one side scoring points over the other.

But having done this much, it is the private sector that must drive cooperative ventures. Hopefully, the idea that BG Lee mooted to Mr Anwar will take off—that both governments contribute some seed money to fund feasibility studies that could lead the way to joint ventures. It should provide the impetus for businessmen to proceed in the confidence that they have the blessings of their political leaders. If companies and conglomerates from Singapore and Malaysia do get together, the rewards will be rich indeed—for both sides.

Navy Chief Outlines Maritime Defense Policy

BK2001142995 Singapore THE STRAITS TIMES in English 20 Jan 95 p 25

[Report by Ismail Kassim in Kuala Lumpur]

[FBIS Transcribed Text] A key aim of Singapore's maritime defence was to enhance regional security and resilience through establishing good relations with the navies of neighbouring and friendly countries, the chief of the Republic of Singapore Navy (RSN), Rear-Admiral Kwek Siew Jin, said yesterday.

This was in line with Singapore's policy of defence diplomacy which formed part of its total-security concept, he said.

For this reason, the RSN pursued active defence relations with all its Asean neighbours.

Admiral Kwek was addressing a forum organised by the Malaysian Institute of Maritime Affairs. He said that despite the lack of a formal defence alliance within Asean, interaction among member-countries was wide-ranging with the emphasis on bilateral exercises.

In addition to bilateral naval exercises with its Asean neighbours, the RSN had also conducted joint anti-sea piracy patrols and search-and-rescue operations with its neighbours.

On the Five-Power Defence Arrangements [FPDA], he said the RSN would continue to play an active role as the FPDA was vital to regional stability.

Besides close ties with other Asean and FPDA navies, he said, the RSN maintained good relations with the navies of extra-regional powers such as the United States.

Adm Kwek also talked about the development of the RSN and its plans to become a strong and balanced force within budgetary and manpower constraints.

"We will continue to maintain a strong and modern force that is capable of defending the interests of Singapore while contributing to the stability of the region," he said.

Answering questions later from the audience, he said Singapore's limited resources meant that it wanted to work with neighbours and friends to ensure that the sea lines of communications remained open.

He said it was never the intention of the RSN to act unilaterally as it was not built to perform such a role.

"But we must also have our capabilities. We must also play our part," he added.

Among those present at the forum were Malaysian Navy Chief Vice-Admiral Tan Sri Shariff Ishak and his Thai counterpart, Admiral Prachet Siridet.

Asked what the RSN would do if Indonesia closed the Straits of Malacca, Adm Kwek said it was not the RSN's policy to jump into the fray.

He said that all the necessary diplomatic and political actions would have to be taken to resolve it.

Cambodia

Thai 'Source' on Fighting in Preah Vihear

BK2001122795 Hong Kong AFP in English 1149 GMT 20 Jan 95

[FBIS Transcribed Text] Bangkok, Jan 20 (AFP)—Khmer Rouge guerrillas and Cambodian government troops have been fighting near the historic temple of Preah Vihear, along the border with Thailand, a Thai military source said here Friday.

About five hundred government soldiers, supported by five assault tanks and rockets, have seized the village of Preah Plai, about 20 kilometers (15 miles) from the temple, and defended by about 50 Khmer Rouge troops, a Thai military intelligence officer told AFP.

The temple of Preah Vihear, one of the most historic sites in Cambodia, is occupied by about one hundred Khmer Rouge guerrillas who seized it from government forces last year. The fighting, which began Wednesday, could be seen from the Thai border, the official said, adding that Khmer Rouge forces were pushed into nearby mountains. No casualty figures were available on either side.

The area is near elite Khmer Rouge units commanded by General Ta Mok, considered the right-hand man of their supreme leader, Pol Pot, and the most cunning of their military commanders.

The retaking of Preah Vihear is considered by the government to be a major objective in the region, although Phnom Penh has made several assurances that it did not intend to launch a major offensive during the dry season this year. Recent reports, however, have indicated that the government is beefing up forces in the region.

KR Deny Village Taken by Government Troops

BK2101143595 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 21 Jan 95

["Rejection by the Spokesman of the National Army of Democratic Kampuchea"; dated 21 January—read by announcer]

[FBIS Translated Text] I. Nhoek Bunchhai is a Para [troops belonging to the parties of Ranariddh and Son Sann] soldier of the United States. He used to be based in Ampil in Oddar Meanchey Province. In the past, he was a border bandit engaged in stealing cattle, cars, and motorcycles and robbing the Cambodian and Thai people for more than 10 years. In 1994, the alliance and communist Vietnam conferred the rank of self-appointed general on him to serve the alliance and communist Vietnam. Nhoek Bunchhai is a coward at heart; he has never fought. He has only acted as a bandit chief along the Cambodian-Thai border.

Recently, Nhoek Bunchhai, on the orders of Hun Sen and Ranariddh, and the alliance and communist Vietnam, shouted that the puppet troops have taken Preah Pralay village from Democratic Kampuchea.

II. The spokesman of the National Army of Democratic Kampuchea [NADK] provides the following truth:

1. Preah Pralay village is still firmly in the hands of the NADK.

2. The troops of communist Vietnam's puppets and their accomplices used four or five tanks, a few artillery pieces, and a few hundred of their self-appointed infantry troops. These were moved from Choam Khsan in the direction of Preah Pralay. However, they were smashed and routed in 14 major clashes by our army and people along the road more than 20 km east of Preah Pralay village.

In the battle we destroyed two tanks of the two-headed puppets and damaged the tracks of two other tanks; destroyed four vehicles and damaged two others; and killed or wounded over 100 troops along the road from Choam Khsan to Ta Em.

Apart from this, the two-headed puppets' troops also died of malaria and famine. A dozen of them deserted daily. For half a month now the two-headed troops have run out of rice, medicine, and ammunition. They are being surrounded by the NADK and the Cambodian people in this area; in particular, they are entrapped by mines, punji stakes, punji stake pits, and poisoned stakes. Every day the enemies are constantly being hit by mines, punji stakes, and poisoned stakes.

III. The enemies' transport route, Route 12, is basically cut. No transport can be moved. The road linking Stung Treng-Chhep-Tbeng Meanchey, Preah Vihear provincial city, is basically cut; no transport can be moved. The An Seh road and the three-border road from Thailand are completely closed. Therefore, Prum Samen and other self-appointed commanders are panicking in Tbeng Meanchey, Preah Vihear provincial seat, and in Choam Khsan.

It is in such a desperate situation that communist Vietnam's puppets, namely, Hun Sen and the diabolic Prince Ranariddh, made a jittery appeal to their troops to make efforts to open Route 12. The two stooges—the one-eyed one and the demonic one—shouted to their men to strive to open Route 12 because they said the entire Preah Vihear battlefield is facing great problems due to lack of rice, water, ammunition, and medicine. Wounded soldiers are dying; there are no supplies to sustain them.

This is the true situation on the Preah Vihear battlefield to this day. The final day for smashing the forces of these two puppets will be decided in a few days because:

1. The networks of mines and stakes, particularly poisoned stakes, are everywhere. The two-headed soldiers, including Prum Samen and Nhoek Bunchhai themselves, shudder at these mines and stakes. Nhoek Bunchhai dares not fly by helciopter to stop in Preah Vihear for more than one hour. If he dared to make the trip by helicopter to Preah Vihear battlefield for just one day, he would certainly be showered by the guardians of hell with poisoned stakes and local and improvised mines to kill him and throw him into hell.

2. The troops are starving and short of ammunition; they are being wounded and dying. Their bodies are scattered all over the jungle.

It should be specified that ANKI, the Para troops of Ranariddh, Nhoek Bunchhai, and Khan Savoeun, have already vanished. Now Ranariddh, Nhoek Bunchhai, and Khan Savoeun have no troops left. They have become lackeys of communist Vietnam's lackey. The latter is Hun Sen, a low creature and a gangster, who has already been sentenced by the nation and people as a great murderer and a communist Vietnamese lackey. These traitors certainly will not escape death, just like previous traitors in Cambodia and in the world.

21 January 1995
NADK Spokesman

Khmer Rouge Urge 'Genuine National Reconciliation'

BK2101092895 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 20 Jan 95

[Unattributed commentary: "Why Did Communist Vietnam Summon Ranariddh to Hanoi?"]

[FBIS Translated Text] Communist Vietnam summoned Ranariddh to Vietnam. What was the situation at the time of Ranariddh's visit to Vietnam? Ranariddh traveled to Vietnam at a time when:

1. FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] is dissolving in Phnom Penh and in the rural areas.

2. Communist Vietnam's puppets are monopolizing everything in Phnom Penh and in the rural areas. Ranariddh traveled to Vietnam empty handed and as communist Vietnam's puppet. He did not go there to solve anything, only to kneel down at the feet of Communist Vietnam:

a. To accept and allow 4 million Vietnamese nationals to continue living in Cambodia and to allow new Vietnamese nationals to further annex Cambodia;

b. To accept the treaty on the border with Vietnam annexing a large part of Cambodian territory, coastal waters, and continenetal shelf which communist Vietnam signed with puppet Hun Sen in 1985;

c. To ask communist Vietnam to accept Ranariddh as communist Vietnam's puppet and be Chey Chetha III [reference to Cambodian king Chey Chettha II in the 17th century, who married a Vietnamese princess and allowed Vietnamese nationals to settle down in some Cambodian provinces, which were later annexed by Vietnam].

The Cambodian people oppose the treaty annexing Cambodian territory as well as the 4 million Vietnamese nationals in Cambodia because this is tantamount to making the Cambodian nation and race disappear like Kampuchea Kraom. The Cambodian people have already condemned this traitorous act by Hun Sen and Chea Sim. The Cambodian people have already put Hun Sen and Chea Sim on the list of Cambodian traitors killing the nation. These traitors have no right to sign any new agreement on the Cambodian-Vietnamese border. They have no right to allow 4 million Vietnamese nationals to live in Cambodia.

The Cambodian people have clearly determined that:

1. On the Cambodian-Vietnamese border, communist Vietnam has to declare that it recognizes the two countries' border, which it had recognized before 1970; there is no need to have a new border treaty;

2. The 4 million Vietnamese nationals in Cambodia have to be repatriated to Vietnam, in the same way countries in the region have continually been dealing with Vietnamese refugees.

The people clearly realize that only by uniting and uprooting the traitorous administration of communist Vietnam's puppets to end the war and achieve genuine national reconciliation can the vital issues of the nation be resolved.

Indonesia

'Source' on Suharto's Plans for Army Hierarchy

BK2301011595 Hong Kong AFP in English 0109 GMT 23 Jan 95

[Report by Pascal Mallet]

[FBIS Transcribed Text] Jakarta, Jan 23 (AFP)—The imminent departure of Indonesia's Army chief and President Suharto's brother-in-law, General Wisomoyo Arismunandar, marks the first of several changes to the country's military hierarchy, a military source told AFP.

Officially, the 55-year-old Wismoyo has not been pushed out, but is leaving on February 10 because he has reached the military age of retirement. But Suharto could have kept him on until he turned 60.

The president has also already confirmed twice that the joint services chief, General Feisal Tanjung, 57, has also passed the age of retirement. Suharto has already decided that he would not be replaced by Wismoyo.

According to a source close to the military, the president has expressed concern that retaining or promoting his brother-in-law by marriage—he is married to a younger sister of his wife—might be taken as overly obvious familial favoritism.

According to other sources, Wismoyo's tumultuous private life has irritated his extended family. And in order to show his independence of spirit, he has at times shown more solidarity with the Army than Suharto might have wished.

Having reportedly turned down an ambassador's post, Wismoyo is due to take up the post of head of the National Indonesian Sports Committee. But the retirement of Wismoyo will not represent a weakening of Suharto's position with the powerful military, to which he once belonged.

Wismoyo's assumed replacement, General Hartono—the present chief of the armed forces socio-political division—will in fact guarantee the president greater control, the source said.

The appointment of Hartono, considered to be a loner in the Army, reflects the desire of the president to surround himself with officers who are personally devoted to him.

In the back of everyone's mind is the question of succession once Suharto completes his sixth consecutive five-year term of office in March 1998.

"These changes have not emerged from ideological differences but from a question of power," one analyst who requested anonymity said.

"By naming Hartono, Suharto is securing loyalty among the key posts in the armed forces," he added.

Like General Feisal Tanjung, Hartono, 53—a devoted Muslim from Madura island off Java's northeastern coast—is reportedly close to the influential Minister for Research and Technology, Bacharuddin Jusuf Habibie.

Habibie, a favourite of Suharto, presides over the Association of Muslim Intellectuals, an organisation that remains unpopular with most military chiefs.

While the chiefs regard themselves the guardians of national unity, they are suspicious of any group that they see as based on religious separatism.

Some eighty percent of Indonesia's 190 million people are Muslim. The remainder are Christian, Hindu, Buddhist or animist.

In 1993, the armed forces secured the appointment of their then chief, General Try Sutrisno to the key post of vice president. He has also been talked of as a potential successor to Suharto.

At the same time, the military blocked Habibie, whom they suspected of harbouring vice-presidential ambitions.

Military Reshuffle 'Imminent'

BK2301045095 Jakarta GATRA in Indonesian 21 Jan 95 p 29

[FBIS Translated Excerpt] A rumor has been circulating within a limited circle for some time that has become more credible in the past two weeks. The rumor is that Army Chief of Staff General Wismoyo Arismunandar will be replaced. Speaking at an official function at the Udayana Regional Military Command, Gen. Wismoyo himself hinted, saying: "Perhaps we will not meet again. Therefore, as your parent, I only have one request, namely, the Army should be united." Gen. Wismoyo said this when he inaugurated a new housing unit for army personnel on 5 January, and his remarks have been clearly viewed as his swan song.

Armed Forces Commander Gen. Feisal Tanjung also gave a kind of confirmation on the military reshuffle issue last week. Speaking to reporters after addressing the Islamic Missionary Council congress at Jakarta's Pondok Gede Pilgrimage Center last Thursday, Gen. Feisal did not deny an imminent reshuffle of high-ranking military officers, including the army chief of staff. He said: "The chief of the Armed Forces Information Service will announce the reshuffle soon."

It is a pity that Brigadier General Syarwan Hamid, chief of the Armed Forces Information Service, could not give any additional information, as he is still in Germany for a visit. What is obvious is that Gen. Wismoyo will reach military retirement age on 10 February. Who will replace him then? Several candidates for the post have emerged.

The first is Lieutenant General Suryadi, who is now army deputy chief of staff. Later, emerged another candidate, Lt.Gen. R. Hartono, a former commander of the East Java Regional Military Command and the current chief of the Armed Forces' Sociopolitical Affairs. A source told GATRA that Hartono will replace Wismoyo, while Suryadi will get another post.

As a 1962 graduate of AMN [National Military Academy], Hartono is senior to Wismoyo, who is a 1963 graduate, but Hartono is only 53 years or two years younger than Wismoyo. This is because Hartono is the youngest graduate in his class. In addition to being a regional military commander, Hartono had also assumed various posts in his military career. He is seen as an officer with a go international [two preceding words in English] reputation, because he is also a graduate of the U.S. Command and General Staff College in Fort Leavenworth. The Madura-born officer was even once a tennis champion there.

His rise in his career began when he was a commander of the Brawijaya Regional Military Command in East Java. The son of a Muslim religious scholar from Pamekasan, Madura, was known to be close to the local people in Surabaya, who saw him as a fatherly figure. It was no surprise that local people had nominated him as a candidate for the East Java governor's post. However, it seems that he is more suited to a military career. After his tenure as regional military commander, he was appointed commandant of the Army Command and Staff College in Bandung. He also successfully organized a joint armed forces exercise in Situbondo. Hartono was then appointed governor of the National Defense Institute, followed by his present position as chief of the Armed Forces' Sociopolitical Affairs, replacing Lt. Gen. Hariyoto. [passage omitted]

When will the reshuffle of military officers take place? Some people say at the end of this month, while others say in February. "But, it all depends on the president, who is the Supreme Commander of the Indonesian Armed Forces," said the GATRA source.

Editorial Views Need for IPR Protection

BK2001130395 Jakarta SUARA KARYA in Indonesian 20 Jan 95 p 5

[Editorial: "Protection for Intellectual Property Rights"—italicized passages published in English]

[FBIS Translated Text] The October 1994 report by the *Pacific Business Forum* entitled *A Business Blueprint for APEC [Asia-Pacific Economic Cooperation], Strategies for Growth and Common Prosperity* emphasized the important need to guarantee the protection of intellectual property rights in support of liberalized trade.

We realize that we are living in an era of globalization. Unquestionably, we cannot refrain from participating in global business activities; if we exclude ourselves from the flow of global economic activities, our economic growth will certainly decline. We need to take advantage of the globalized economy to improve our economic growth. As such, it is imperative that we create a conducive and attractive climate to attract more foreign investors and increase the competitiveness of our goods and services in global markets.

One of the major problems that has become a constant obstacle is the issue of protecting intellectual property rights. Prospective foreign investors have conducted many surveys on whether the laws and regulations of the countries they want to invest in provide protection for their intellectual property and whether such legal aspects are firmly, consistently, and truly enforced. No prospective foreign investor is willing to invest in the construction of an industry or set up branches in a country that does not enforce laws protecting intellectual property rights. Prospective investors feel that if the laws protecting intellectual property are lacking in the country they want to invest in, their products and services might be imitated or counterfeited by local competitors.

Apart from attracting foreign investment, the protection of intellectual property rights should stimulate efforts to create more industrial innovations, including in the production process and manufacturing technology, new designs, computer programs, and service packages. Such innovations will determine the competitiveness of goods and services in the global market. We will definitely decline if we do not make an effort to improve our competitiveness.

Besides, the assurance that intellectual property will be protected will not only be useful to us in preparing for liberalized trade but will also ensure our future success in the face of very challenging global competition. In this connection, we have taken a major step forward by enforcing Law No. 6/1989 on patents and copyrights as of 1 August 1991. Now we have a deeper understanding of intellectual property rights because of rapid technological advancements—especially in connection with patents rights, trademarks, literary works, paintings, and movies and their production techniques and including integrated circuit designs, software, trade secrets, industrial designs, production processes, and so on.

As such, we welcome the government's efforts to provide comprehensive protection for intellectual property by drafting legislation to protect *Industrial Design, Integrated Circuit Design,* and trade secrets as stated by Justice Minister Utoyo Osman on Wednesday [18 January]. It should be remembered that requests for the protection of intellectual property should be dealt with expeditiously apart from the need for prompt, firm, consistent, and responsible enforcement of the relevant law. We acknowledge that such an undertaking will be difficult. In order to realize this objective, the Directorate of Copyrights, Patents, and Trademarks—with the cooperation of other agencies—will need the assistance of honest and knowledgeable personnel to confine secrets.

If expeditious service, tight security, and firm execution of the law are lacking, then intellectual property rights will be meaningless.

* Government Direction of Auto Industry Urged

95SE0073C Jakarta BISNIS INDONESIA in Indonesian 10 Dec 94 p 1

[FBIS Translated Text] Various groups are urging the government to set the direction of the automobile industry as quickly as possible by establishing a pattern of development using either the strategy of broadening the structure of the industry or of opening the tap to imports as wide as possible.

"The direction and development of the domestic automobile industry are still vague. For the last fifteen years the automobile industry has in fact had a direction and has been developing, but now it is as if all of that has just disappeared," said A.R. Suhud, former minister of industry.

He then suggested that the government, the automotive industry, and all related sectors set the direction and the pattern of development of the domestic automotive industry as quickly as possible. "Only after its direction and pattern are clear should the next step be determined," said Suhud, who was participating in a seminar with the theme "The Indonesian Automotive Industry Approaching the Year 2000."

The seminar, which took place at the Sahid Jaya Hotel yesterday, was organized by the economic daily BISNIS INDONESIA and by the Indonesia Business Weekly. Effendi Sudarsono, director general of industry, metals, engines and electronics (ILME), Department of Industry, stood in for Minister of Industry Tunky Ariwibowo, who was unexpectedly unable to attend.

These ideas were supported by, among others, Herman Z. Latif, general chairman of GAIKINDO [Association of Indonesian Motorized Vehicle Industries]; Subronto Laras, president director of the Indomobil Group; Faisal H. Basri, head of the LPEM-UI [Institute for Economic and Social Studies of the University of Indonesia]; Hartojo Wignyowijoto, an economic observer; as well as by Sujoso and Suhari Sargo, both automotive industry observers.

Herman said that the domestic automotive industry must choose between whether it wants to broaden the structure of the industry or merely act as a dealer for various brands of motorized vehicles.

"If we go with the pattern of broadening the industry, the bases of the component and support industries must be strengthened. But if we choose to act as dealers, shouldn't we open the tap as wide as possible to all makes of automobile by reducing import duties?"

Suhari and Subronto stated that the direction of the domestic automotive industry has been unclear for about 15 years. "That's why the domestic automotive industry has lost direction and doesn't know where it's headed," said Suhari.

In fact, Subronto believes that the government has gone too far in burdening us with its desire to achieve its goal of using a specific amount of local content. "It's different in Thailand. The Thai Government offers the alternative of achieving local content according to ability, and the implementation is completely up to the industry. In Thailand there is no requirement or even target of a certain percentage," he said comparing conditions here with those in Thailand.

The seminar was also of the opinion that Class I business vehicles [small trucks] are sufficiently reliable. For that reason, those products can spearhead exports to, among other places, Vietnam, the Pacific region and Africa.

Those vehicles, said Subronto and Suhari, have various advantages, such as competitive prices and the fact that customers are interested in them. "In addition, the industry is quite efficient and has a comparative advantage in the form of low wages," said Subronto.

Minister of Industry Tunky Ariwibowo stated that the domestic automotive industry must try hard to sell its products by penetrating those markets into which the big manufacturers, such as Japan and South Korea, have not yet entered in any significant way.

"Opportunities in the automotive market in the Asia-Pacific region, which has a population of about 2 billion people, will become an economic force with a strong potential. The domestic automotive industry should turn its attention in that direction," he said.

Even though local content achieved by the domestic automotive industry has been relatively small up to this point, Tunky said that this will certainly not last long. As investment in the area of components increases, the local content in domestic automotive products is also expected to rise.

At present, local content for a sedan is only about 5 to 47 percent, for Class I business vehicles 13 to 51 percent, for Class II vehicles 32 to 37 percent, for Class III vehicles 30 to 36 percent and for Class IV vehicles 9 to 31 percent.

Sujoso said that Indonesia in fact already has a component industry and support services but that structurally it is not broad enough. In addition, the component industry is also not ready to confront the free market era because it is still inefficient. It cannot compete against similar products on the international market.

"Whether we want to or not, in the five years before free trade is put into effect the component industry must be able to overcome the symptoms of a high-cost economy," said the vice general manager of Sucofindo Inc.'s Automotive Verification Division.

---

* Indonesia Cited as Desirable for Investments

95SE0062A Jakarta BISNIS INDONESIA in Indonesian 28 Nov 94 p 6

[Editorial: "New Hope for Investment Sector"]

[FBIS Translated Text] Good news for the investment sector was published last week. Ernst & Young, a public accounting office in Hong Kong, conducted research on the investment interests of 1,000 big companies at the international level and concluded that Indonesia is a country in which there is great interest.

According to the research, investors put China in the first place (47 percent), then India (17 percent), Indonesia (16 percent), and, fourth, Mexico (13 percent). The respondents came from industrialized countries, such as the United States, Japan, the United Kingdom, and other West European nations.

Although China occupies the top position, political instability in the land of the bamboo curtain continues to be viewed as an obstacle, especially to long-term investments. Nevertheless, relatively better conditions over the last 10 years have given new confidence to investors in making investments in China.

Although the percentage of those selecting Indonesia is far below China's, the research is very gratifying with regard to prospects for our country's business community. Over the next 25 years, Indonesia needs large sums for development, which cannot be obtained from domestic sources of financing. The role of foreign investment remains very important, particularly for bringing equilibrium to the balance of payments.

Indonesia's good image among foreign investors still needs our internal efforts to improve attractiveness, however. In fact, the government has made several efforts in that direction, the most recent being issuance of Government Regulation No. 20/1994. Because of growing demands for capital, it is certain that efforts to make more room for investment, both domestic and foreign, will continue. In view of both internal and external factors, pressure in that direction cannot be further ignored.

The APEC [Asia-Pacific Economic Cooperation] agreement, which stresses trade and investment, is an impetus for the creation of a more open economy in Indonesia. Experience shows that capital from investors using the Jakarta stock exchange flows in and out in large amounts.

It is often asked to what extent the role of foreign interests strengthens the domestic economic structure rather than weakening it. This is a basic question and it has its own implications. Indonesia's main attractions are its wealth of natural resources and cheap labor, which could be exploited excessively if guidelines are inadequate.

Expanded freedom needs to be followed by clearer regulations, so that the presence of foreign investors can be used to encourage efforts to improve the national economic structure, while simultaneously enhancing the welfare of the people. If foreign interests may now own 95 percent of PMA [foreign capital investment] stock, can we still ask, for example, that local workers be given a proportional number of places?

This question is an example of pressing issues, remembering that unemployment is expected to explode in the years to come. Many other issues should be given attention so that we do not merely strive for targets in the expansion of investment.

Actually, the main problem lies with the condition of the still inefficient national economy, which itself is the result of our low level of competitiveness. The consequence is that each effort to achieve a specific growth target must be financed with greater sums. This occurs in both the private sector and, especially, the government sector.

It turns out that the export successes—still supported by oil and natural gas revenues—that have been won with great difficulty cannot cover a current account that is always in deficit because of debt obligations, interest payments, and other services.

Therefore, it is true, as proclaimed by President Suharto last week, that we must export with all our might. This is clearly not simple, however. This effort must begin at home, primarily by eliminating the high-cost economy. The infrastructure should be restored, and every type of fee and bureaucratic complexity must be trimmed to the minimum. Excessive protection must be abolished.

Besides improving resilience and competitiveness, this will also be a challenge to foreign investors. Indonesia's image will improve, which will be an attraction in itself. Thus, an improvement in "beauty status" does not always need many cosmetics.

Laos

President Meets With Cambodian Foreign Minister

BK2201132995 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 21 Jan 95

[FBIS Translated Text] This morning at the Hokham Presidential Palace, His Excellency [H.E.] Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], received a courtesy call of H.E. Ing Huot, minister of foreign affairs and international relations, and his delegation, who is paying an official friendship visit to the LPDR from 20 to 22 January 1995 at the invitation of the LPDR Foreign Affairs Ministry. In addition to hailing the visit to the LPDR of the high-level Cambodian Foreign Affairs Ministry delegation, H.E. Nouhak Phoumsavan noted that the visit will contribute to further strengthening the friendship relations and cooperation between the Lao and Cambodian peoples as well as between the two Foreign Affairs Ministries.

During the call, H.E. Ing Huot expressed profound thanks to the Lao president for according him a warm welcome filled with an atmosphere of friendship. He informed the LPDR president of the successful outcome of talks between the delegations of the Kingdom of Cambodia and LPDR Foreign Affairs Ministries regarding economic cooperation, especially in the tourism sector between the two countries in the immediate future, and other issues of mutual interest. H.E. President Nouhak Phoumsavan expressed hope that the visit to the LPDR by the delegation of the Cambodian Ministry of Foreign Affairs and International Cooperation would be crowned with success. The president also conveyed his greetings and best wishes through H.E. Ing Huot to Samdech Norodom Sihanouk, the king of the Kingdom of Cambodia, wishing him a long life.

Ministry Group, Cambodians Meet on Agriculture

BK2101094295 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 21 Jan 95

[FBIS Translated Text] A delegation of the Lao Ministry of Agriculture and Forestry held talks with a delegation of the Agriculture and Fisheries Ministry of the Kingdom of Cambodia at the Agriculture and Forestry Ministry in Vientiane yesterday afternoon. The Lao side was headed by Sisavat Keobounphan, minister of agriculture and forestry, and the Cambodian side was headed by Tav Senghuo, minister of agriculture and fisheries. The talks proceeded in a warm atmosphere of mutual understanding and neighborliness.

In the talks, the two sides informed each other of their respective achievements in carrying out activities in the agricultural and forestry field. They also discussed issues on the relations and cooperation between the two ministries in the immediate future. In this regard, the two sides have unanimously agreed to further promote and expand, ever more fruitfully, their long-standing relations and cooperation in various fields.

On this occasion, Minister Sisavat Keobounphan highly appraised the visit to Laos by the Agriculture and Fisheries Ministry delegation of the Kingdom of Cambodia, a visit which, he said, will significantly contribute to strengthening, promoting, and expanding the friendly relations and cooperation between the two countries of Laos and Cambodia in general and between the two ministries in particular.

The Agriculture and Fisheries Ministry delegation of the Kingdom of Cambodia led by Minister Tav Senghuo arrived in Vientiane yesterday afternoon for a three-day friendship visit to Laos.

PRC Army Delegation Visits Oudomsai 1 Jan

BK1901080495 Vientiane VIENTIANE TIMES in English 13-19 Jan 95 p 5

[FBIS Transcribed Text] A delegation of the Chinese People's Army in the Sienghuong area (Jinghong), Yunnan Province, arrived in Oudomsai on January 1 on a five-day working visit.

During the visit to the northern province, the Chinese military delegation held discussions with a delegation of the local Lao military delegation on border security.

Philippines

Garcia Confident in Revision of U.S. Air Accord

BK2301064795 Quezon City Radio Filipinas in English 0230 GMT 23 Jan 95

[FBIS Transcribed Text] Government negotiators were confident of clinching a better deal for the country as they prepare to meet with American counterparts this week to discuss new air agreement between the Philippines and the United States. The Philippine panel, headed by Transportation Secretary Jesus Garcia, meets with its U.S. counterpart for three days starting Wednesday. This will be the second round of the R.P. [Republic of the Philippines]-U.S. consultations where the Philippines will seek to correct the existing air transport agreement which is lopsided in favor of the United States.

The first round of talks in Washington last November—chaired by Garcia and Ambassador Jaime Bautista, a ranking Philippine Embassy official—has been hailed by the air transport industry as a breakthrough in what is perceived as tough negotiations. Industry observers, short in calling it a victory, noted that [words indistinct] Americans that the open skies policy will hold back Philippine economic growth and development.

The 1982 air agreement, which the Philippines seeks to correct in the current negotiations, contains an open skies provision which automatically takes effect in October of 1996. This would make Philippine skies open to the unlimited use of U.S. carriers even as U.S. skies would remain restricted to Philippine carriers. After the Philippine panel impressed upon the U.S. panel that the open skies policy is not conducive to Philippine economic growth, the U.S. panel agreed to review existing agreement. The U.S. negotiators also pledged to (?spend) the amendments to be proposed by the Philippine panel.

In the Cebu negotiations, the Philippine panel is expected to strongly pursue the adoption of a position paper signed by Foreign Affairs Secretary Roberto Romulo and Bautista. The most significant point raised in the Philippines' position paper in the newly [word indistinct] policy on the correction of other unfavorable provisions. Among these are provisions setting unequal routing and traffic rights for Philippines and U.S. air carriers. The Philippine panel also told the U.S. negotiators that if negotiations are focused, the country is considering sending a notice of application to the U.S. Government by September this year.

Ramos Meets With Singapore Defense Minister

BK2001124595 Quezon City PTV-4 Television Network in Tagalog 1106 GMT 20 Jan 95

[FBIS Translated Text] It is hoped that defense relations between the Philippines and Singapore will improve. This was revealed by Defense Secretary Renato De Villa in connection with Singapore Defense Minister Lee

Boon Yang's meeting with President Ramos in Malacanang. At the meeting, the two men discussed the upcoming joint military exercise between Singaporean and Filipino troops in Fort Magsaysay, Nueva Ecija.

De Villa said Singapore will send a bigger contingent this year. Another joint exercise to be held in Singapore will follow in July.

[Begin recording in English] [Unidentified correspondent, in progress] ...another joint military exercise?

[Yang] Yes.

[Unidentified correspondent] And when is this going to be?

[Yang] I think, we're having one planned soon enough, between the joint army exercise. Yes, the two armies will have exercise soon. Probably sometime in March.

[Unidentified correspondent] Will there be any special feature in this year's joint military exercise?

[Yang] We'll discuss how we can make the exercise more interesting, more (?higher) professional content for the two armed forces.

[De Villa] It is a little bigger than what was done two years ago in the sense that the Singaporeans will have a bigger contingent, they will have a few armored vehicles and some helicopters to be joining the exercise. So, and then also, we informed the president that after that we will also go into a joint naval exercise with Singapore, to be hosted by them. [end recording]

Germany Commits P2.9 Billion in Development Aid

BK2301033595 Manila MANILA BULLETIN in English 19 Jan 95 p 17

[Report by Priscila R. Arias]

[FBIS Transcribed Text] The Federal Republic of Germany will continue to support the economic and social development of the Philippines in the coming years as it committed a total of 79 million Deutschmarks [DM] (about P[Philippine pesos]2.96 billion) for bilateral assistance.

It said this assistance will be focused on development cooperation in the fight against poverty, improving water supply and sanitation, promotion of health services, including family planning, and environment protection.

The other main areas of future cooperation are agriculture and rural development, fostering basic education and vocational training, improving electricity supply and promotion of small- and medium-level industries.

The continued German support for the Philippines includes an allocation of financial assistance up to DM59 million and technical assistance of up to DM20 million. The financial aid is comprised of a grant of up to DM20 million and a softterm credit of up to DM90 million. The technical assistance is entirely a grant.

A financial credit of DM20 million is earmarked for the extension of the Labrador-Masinloc transmission which is aimed at improving the electricity supply on the island of Luzon. A new project to improve the environment protection measures at power stations in various parts of the Philippines will be supported with a credit of DM10 million; DM15 million financial cooperation funds will be given as grant for improving the drinking water supply and sewerage systems in some of the smaller provinces of the country.

A grant of DM8 million will go to a new family planning program while a vaccination program for women and children, also a new project of financial cooperation, will be supported with a grant of DM5 million. A training program, associated with environment protection project for the power stations will receive a grant of DM1 million.

Germany ranks as the second main donor of the Philippines after Japan. The German government has committed bilateral development assistance of more than DM1.64 billion for a broad spectrum of projects and programs in the country since the beginning of bilateral development cooperation in 1961.

Outstanding Public Debt Increases 14.5 Percent

BK2301040195 Manila BUSINESS WORLD in English 19 Jan 95 p 10

[Report by Victor V. Saulon]

[FBIS Transcribed Text] The country's outstanding public debt stood at P [Philippine pesos] 1.217 trillion as of November 1994, 14.5 percent higher than the P1.063 billion recorded in the same period the previous year.

However, this was down 4.2 percent compared with P1.271 trillion as of October, latest data from the Bureau of Treasury (BTr) show.

On a yearly basis, the increase was due to the availment of additional loans, most of which were used as payment for previous loans. This was however tempered by the steady strengthening of the peso. The peso appreciated by P4.079 last November from P27.958:$1 a year ago, based on the guiding rate of the Bangko Sentral ng Pilipinas [Central Bank of the Philippines].

The decline in public debt on a monthly comparison also stemmed from the continued appreciation of the peso. The Bangko Sentral's guiding rate was at P23.879:$1 compared with P24.928:$1 in October.

With this exchange rate, the country's foreign debt substantially decreased. For instance, RP [Republic of the Philippines]-bond converted loans under the Philippine Financial Plan amounting to $3.034 billion reflected a P3.183 billion drop in its peso equivalent to P72.466 billion from P75.649 billion in October 1994.

The country's total public debt is composed primarily of regular accounts and guaranteed/contingent accounts. The former represents debts for which the country is itself the borrower while the latter are those guaranteed by the Republic of the Philippines. Moreover, the National Government (NG) incurred these debts through foreign and domestic sources.

As of November last year, more than 88 percent of public debt were classified as regular accounts and the rest were government guaranteed loans. Around 55 percent of total public debt were sourced locally.

The bulk of regular accounts represented direct loans by the NG. This dipped 4.4 percent to P938.878 billion from P981.90 billion in October. Of the direct loans, P886.75 billion were availed by government agencies while the rest were relent to government-owned or controlled corporations (GOCCs).

Similarly, NG assumed loans decreased in November. This loans which were used to rehabilitate government financial institutions dropped 2.28 percent to P61.237 billion from P62.665 billion the previous month.

Bond converted loans also fall under regular accounts. This declined 4.2 percent to P72.466 billion last November.

Compared with November 1993, NG direct loans expanded 23.3 percent to P938.878 billion from P761.241 billion. In contrast, loans availed by financial institutions which were eventually assumed by NG contracted 14.8 percent to P61.237 billion from P71.888 billion. Similarly, bond converted loans shrank 15.8 percent to P72.466 billion from P86.051 billion.

Meanwhile, government guaranteed loans went up 7.8 percent to P112.607 billion from P104.418 billion previously.

Thailand

Finnish President Arrives on Three-Day Visit

Holds Meeting With Chuan

BK2301080395 Bangkok Radio Thailand Network in Thai 0530 GMT 23 Jan 95

[FBIS Translated Text] A welcome ceremony was held at Government House at 1000 today for Martti Ahtisaari, president of Republic of Finland, and his delegation, who are paying an official visit to Thailand as guests of the Thai Government from 21 to 24 January.

In his capacity as honorable minister assigned to accompany the Finnish president during his stay, Kon Thappharangsi, minister attached to the Prime Minister's Office, introduced the Finnish president to Prime Minister Chuan Likphai.

The prime minister then led the Finnish president to the platform to review the guard of honor from the three armed forces. After that, the prime minister and the Finnish president proceeded to the Ivory Room for consultations. Economic, trade, investment, technological, and energy cooperation issues were discussed.

At 1630, the Finnish president, accompanied by the prime minister, will be granted an audience with His Majesty the King at Chilada Palace.

At 1930, the prime minister will host a dinner reception in honor of the Finnish president at Government House.

'Full' Delegations Meet 23 Jan

BK2301133995 Bangkok Radio Thailand Network in Thai 1200 GMT 23 Jan 95

[Passages within quotation marks recorded]

[FBIS Translated Text] On the occasion of the Finnish president's official visit to Thailand, a meeting between full Thai and Finnish delegations was held at Government House this morning. Government Spokesman Akkharaphon Sorasuchat reports on the meeting:

[Akkhraphon] "The first topic the prime minister and the Finnish president discussed was bilateral trade. The trade volume between the two countries is five times in Finland's favor. The prime minister told the Finnish president that the situation is understandable, because Finnish exports to Thailand are sophiscated products, while Finland's population is only about 5 million, and thus the demand for Thai products is not high. However, the prime minister said Finland will become a major gateway for Thai products to the European Union [EU] and newly independent East European countries. The prime minister also asked the Finnish president to try to prevent protectionism against Thai products exported to the EU and to encourage the EU to reduce duty on Thai long-grain rice.

"About Thai exports to the EU through Finland, the prime minister asked the Finnish president to consider a cut in duty for those products."

The prime minister encouraged the Finnish Government and private sector to invest in the paper industry in Thailand in light of high demand here. The spokesman said:

[Akkhraphon] "Finland has extensive technology and experience in forestry and environment conservation. Thailand has high demand in the pulp and paper industries. Finland has modern equipment and production process in these industries. As a result, the prime minister made a special invitation to the Finnish Government and private sector to consider joint investment to solve the paper shortage problem in Thailand.

"There was also a discussion on the Finnish Government grant for forestry studies, which will end in 1995. The Finnish president pledged to give special consideration to this issue."

In addition, there will be a joint investment in telecommunications to support economic growth in the region. The spokesman said:

[Akkharaphon] "The prime minister informed the visitors of the government's basic plan to expand the telecommunication systems to Thailand's regional areas, particularly to install 12 million telephone lines in the eighth national development plan. Joint investment between Thailand and Finland would serve the demand in Thailand and could become the telecommunications center for the region."

Thaksin Assures Burma of No Aid to Ethnic Leaders

BK2101100995 Bangkok THE NATION in English 21 Jan 95 p A 2

[FBIS Transcribed Text] The Thai government's policy forbidding ethnic leaders fighting the Burmese junta from entering Thailand is clear, and any official found abetting such people would be punished, the Foreign Ministry said yesterday.

Foreign Minister Thaksin Chinnawat conveyed the message to his Burmese counterpart, U Ohn Gyaw, when he made a brief two-day visit to Rangoon earlier this week.

The Thai minister raised the issue in response to an official note made two weeks ago by the Burmese foreign ministry protesting the reported sighting of Karen guerrilla leader Gen Bo Mya in Thailand. The protest was sent via the Thai Embassy in Rangoon.

Thaksin said on Wednesday night that he had clarified the situation to Ohn Gyaw during their meeting, and that the reports on Bo Mya's sightings in Thailand were not accurate.

He also told Ohn Gyaw that Prime Minister Chuan Likphai had made it clear that any Thai officials found assisting or permitting such leaders to enter the Kingdom would be punished. He added that his counterpart had expressed understanding after the situation had been explained.

Government agencies and military intelligence bureaus had searched the three northern provinces of Chiang Mai, Mae Hong Son and Tak, as well as Bangkok after the alert was given by the office of the Burmese Defence Attache concerning Bo Mya's movements in Thailand.

According to Thai authorities from several offices, the initial reports of Bo Mya's entry came from some Burmese intelligence officers here who suspected that the Karen leader had sneaked across the border.

It was suspected that Bo Mya was contemplating a trip to either Japan or the United States, where he has been invited by the Atlanta-based Carter Centre.

Thai provincial and central authorities were then ordered to look for the Karen leader and establish whether Thai officials had assisted him.

In a separate interview last week several Thai officers expressed their "extreme anger and frustration" and wondered what the "hidden motives" were behind the Burmese officers accounts about Bo Mya, after a hectic 48-hour surveillance and search proved the Burmese to be wrong.

Thai and Karen officers said the Bo Mya had been staying in his headquarters at Manerplaw at the time of the Burmese report.

Thai officers said the Burmese rumour had a wide-ranging impact on the Thai intelligence network, especially the fomenting of "suspicion and mistrust" among various agencies who had pointed fingers at each other for alleged assistance to Bo Mya.

The officers said they suspected that the rumours were deliberately spread to force the government and the military to review their border policy and alienate the "good relations and understanding" local Thai authorities had established with various Burmese ethnic groups active along the border.

"We did not do any other work for 48 hours, except try to establish the whereabouts of Bo Mya. We believe that those [Burmese intelligence officers] who spread the rumour had some hidden motives, maybe to create suspicion or mistrust among various Thai intelligence agencies or against some Thai officers whose work involves Burma," one senior officer said, who asked not to be named.

Bo Mya made a rare appearance in a downtown hotel in Bangkok last November, where he and representatives of a Japanese private agency signed an unidentified document in the presence of a small group of reporters, mainly Japanese.

Thaksin's Visit to Burma Viewed

BK2301075095 Bangkok Radio Thailand Network in English 0000 GMT 23 Jan 95

["News in Perspective": "Thailand Seeks Investment Opportunities in Myanmar"]

[FBIS Transcribed Text] Thailand has called on Myanmar [Burma] to open up its investment opportunities for Thai business people. The call was made by Foreign Minister Thaksin Chinnawat, who paid a recent official visit to the Union of Myanmar for talks on bilateral issues.

Minister Thaksin told Myanmar authorities that the Thai Ministry of Foreign Affairs is ready to serve as coordinating center to provide the Myanmar side with information about the Thai private firms wishing to invest in that country.

Thai investment in Myanmar is still minimal when compared with that of Singapore. One of the reason, he said, Thai business people are not confident about Myanmar's exchange rate. Another reason is Myanmar's political instability. Myanmar has some unfavorable experiences with certain Thai investors in the past.

Minister Thaksin was told that Myanmar has decided to allow foreign banks to open representative offices in that country. The representative offices could hold consultations with the Myanmar side on their joint ventures. They could later be allowed to open their branch offices there.

Thailand informed Myanmar authorities that it was willing to extend a soft loan of 300 million baht to Myanmar as requested. The loan will be used to improve the Tachilek-Kengtung route, a distance of 164 kilometers. The Thai Government attached great importance to this route, which is included in the Quadrangle Economic Cooperation Project. Myanmar has Thailand to reduce the interest rate for the loan from 3 percent to 1.5 percent and Thailand agreed in principle. However, the Thai Ministry of Finance is working on details of various loan conditions.

Thailand praised Myanmar for its policy of narcotics suppression. It pledged full cooperation with Myanmar in the combat against the drug menace. Thailand also stressed its policy not to support ethnic minorities in Myanmar or interfere in Myanmar's internal affairs. Those who flee from fighting in Myanmar to Thailand will provide with assistance on humanitarian basis only. Thailand will continue its constructive engagement policy with Myanmar since the policy is seen as an effective way to bring about positive changes in that country. It informed Myanmar that senior ASEAN officials, during their meeting early this month, agreed to invite Myanmar to attend the next ASEAN ministerial meeting to be held in Brunei Darussalam in July this year.

ASEAN will hold its fifth summit in Bangkok in December this year. At the summit, ten southeast Asian leaders will meet and Myanmar will be among them as an invited guest to the meeting.

Thailand regards more than a close neighbor with long common border but as a brother land sharing the same religion and similar culture. It hopes to further strengthen relations and expand cooperation between the two countries more extensively.

Burmese Students To Be Discussed With UNHCR

BK2101095595 Bangkok BANGKOK POST in English 21 Jan 95 p 11

[FBIS Transcribed Text] The National Security Council will discuss with the United Nations High Commission for Refugees (UNHCR) measures to control Burmese students to prevent them from conducting political activities both inside and outside Ban Maniloi Holding Centre in Rat Buri's Pak Tho District.

NSC deputy secretary-general Khachatphai Burutphat said the measures are necessary because the activities of Burmese dissident students could not only affect Thailand's security but also relations with Burma.

"We expect to talk about this matter soon. We want the UNHCR to understand our anxiety and we want to know how that agency will respond," Mr Khachatphai said.

Thai authorities and Burmese students were engaged in a brawl at Ban Maniloi Holding Centre on Monday [16 January] night, reportedly after Thai defence volunteers warned the students who set up a bonfire near a building.

A number of students left the holding centre on Tuesday to lodge a protest with the UNHCR, claiming that they had been unfairly treated.

A total of 68 of them were arrested and charged with illegal entry.

Thirteen were detained at Pak Tho district police station and 55 others at Bang Khen Police Private School.

The 68 students will be taken to court before being sent back to Bang Khen and will not be allowed to return to the holding centre.

Mr Khachatphai said the Burmese students are illegal immigrants who have been provided with humanitarian assistance such as accommodation and training.

They are allowed to leave the holding centre and to contact any organisation for aid.

The only restriction is that they are not allowed to conduct political activities on Thai soil, he said.

The incident at the holding centre in Rat Buri prompted the authorities to question why the Burmese students keep causing trouble, he said

It is not possible to let them have all the rights enjoyed by Thai citizens because they are illegal immigrants.

Even Thais who violate the law must be punished. Mr Khachatphai added.

Prime Minister Chuan Likphai said yesterday the Burmese students found guilty of hurting the Thai authorities must be dealt with according to the law.

The Burmese students are free to go to any other country where they are welcome but while in Thailand they must observe Thai law, he said.

On the suggestion that Burmese students be sent back to Burma, Mr Chuan said according to an agreement made with the UNHCR the students will not be repatriated unless it is their wish and their security is guaranteed.

Foreign Minister Thaksin Chinnawat said he had been informed by the Interior Ministry that the Burmese students who caused trouble would be dealt with according to the law.

The students are free to go to a third country but so far no countries have shown interest in accepting such an option, he said.

Thailand might have lost its patience dealing with such people who have caused it to lose both money and face, he said.

Burmese Leaders Permit Studies on Hydropower

BK2101101295 Bangkok THE NATION in English 21 Jan 95 p B 1

[FBIS Transcribed Text] Foreign Minister Thaksin Chinnawat said yesterday that Burmese junta leader Lt Gen Khin Nyunt has agreed to permit feasibility studies of the potential for hydropower projects to be conducted on the Salween River.

Khin Nyunt, secretary of the ruling State Law and Order Restoration Council (Slorc), suggested that the studies be conducted in strife-free areas under the control of the central government, said Thaksin.

The studies should first be conducted in the lower part of the powerful Salween River which is not under threat from anti-Rangoon armed ethnic movements, according to the Slorc leader.

Thaksin did not identify the specific areas where the studies will be carried out or the areas suggested by the Burmese leader.

The countless rapids and plentiful year-round water supply of the Salween, which originates from the Tibetan highland in southwestern Burma and flows into the Andaman Sea, have been possible sites for hydropower projects in the past.

Thai authorities have, for the past several years, approached Rangoon to approve the feasibility studies and the construction of hydropower dams on the Salween, the electricity of which would be purchased by Thailand to supplement its growing demands for power especially in the industry sector.

Thai officials had also approached the Slorc to probe its views of the Thai plan to divert some water from the Salween to substitute the sharp fall of water supply to the Phumiphon Dam in Tak.

The water would be transported through a man-made canal to the Ping River, the source of Phumiphon Dam's power. The effort on this plan was last made during the tenure of former Anan government.

Thaksin raised the possibility of feasibility studies during his meeting in Rangoon with Khin Nyunt on Thursday afternoon.

It is not known if the studies would be conducted jointly by the two governments or by the private sector. Several Thai and Japanese companies have expressed interests in conducting feasibility studies of the Salween River.

Opium Warlord Khun Sa has threatened to disrupt any hydropower project in his controlled-territory in southern Shan State if his Shan resistance movement was not consulted prior the implementation of the project.

Thaksin said Thailand and Burma in early February will sign an official agreement on the purchase of natural gas from the Gulf of Martaban in the Andaman Sea.

He said the official agreement will be signed by Burmese Energy Minister Maung Maung Khin, who will arrive in Bangkok either on February 1 or 2, and most likely by Sawit Phothiwihok, Minister to the Prime Minister's Office, responsible for the national energy policy.

Both sides signed a memorandum of understanding around August of last year in Bangkok on the purchase of natural gas, which is to be transported to Thailand via a 416-km-long pipeline from the Yadana Well in the Andaman Sea. About 85 per cent of the pipeline is under the sea.

Thailand is responsible for the construction of a 110-km pipeline on the Thai border to Rat Buri Province, where the Electricity Generating Authority of Thailand will build a gigantic power plant to process the gas into power.

The gas reserves of the Yadana Well is estimated at six trillion cubic feet. The initial gas output upon the completion of the pipeline in 1998 is expected to reach 130 million cubic feet per day.

* Wimon, Press on Khmer Rouge Timber Trade

* Firms Work in Khmer Rouge Zones

95SE0065A Bangkok THAN SETTHAKIT in Thai 1-3 Dec 94 pp 1, 2

[FBIS Translated Excerpt] [Passage omitted] Kr. Kitti Paniyatankakun, the general partner of the Sawan Phruk Limited Partnership in Surin Province, said that it may be that Thais violated the agreement with the Khmer Rouge, which then became a major issue. Actually, this group is very honest when it comes to agreements. If it makes a promise, it usually honors that promise. As for the problem that has arisen, that is in the Hun Sen-controlled zone. He said that he doesn't know much about that. The Khmer Rouge may have taken this tough action because they were being pressured too much.

As for his logging operations, they have now come to almost a complete halt. This is because the situation there is uncertain. He said that he has lost a lot of money, and a large amount of equipment has been left behind in Cambodia. Today, almost all timber merchants in Surin and Buriram Provinces have withdrawn from Cambodia. The only ones left are those in Chanthaburi and Trat Provinces. He said that he plans to stay out of this for the moment and turn to land development in Amnat Charoen Province instead.

Mr. Din Chansuwan, the managing director Thung Din Dam Company Ltd., which hauls logs out of Pursat Province, which is in the Khmer Rouge zone, said that the present situation in Cambodia is very unstable. Khmer Rouge groups often demand more than was agreed on, and if their demands aren't met, they make various threats. In particular, they threaten the workers who are hauling logs in the concession area, which is located 20-30 km from the Thai border.

"At present, the company does not plan to go into Cambodia unless that is absolutely necessary. We are afraid of the dangers there to both life and property. Logging operations there will probably be halted. Even through temporary border transit points were opened on 28 September, we will have to wait for the situation to settle down and then reevaluate things."

Mr. Khachonsak Danchaiwichit, the managing director of the Siam Timber Company Ltd., said that logging operations will probably have to be halted for the time being, because the situation in Cambodia is very uncertain. Even though Trat Province opened a temporary border transit point on 30 September for 10,000 cubic meters, logging operations are dangerous, because there could be fighting there or the military forces of one of the Cambodian factions might stir up trouble.

Navy Captain Thoetsak Phromsiri, the commander of the Trat Marine Special Operations Unit, said that the Chanthaburi-Trat Border Defense Force has ordered the Trat Marine Special Operations Unit to investigate six Thai logging companies that are carrying on logging operations in the Khmer Rouge's zone of influence. The unit will examine the backgrounds and contracts of these companies. It will check to see how the contracts were made and will remind timber merchants that they should adhere strictly to the contracts. In particular, they must act in a very straightforward manner in dealing with the Khmer Rouge so that Cambodia does not have an excuse to revoke the contracts or bargain with Thai companies.

"Besides this, the Trat marine unit has ordered all checkpoints where logs are brought in to be very strict about allowing logs to be brought into the country. This must be done in accord with the order issued by the Ministry of Interior, which has opened temporary border transit points and issued orders on the amount of timber that can be brought in and the time periods for opening the checkpoints."

Captain Thoetsak said that the shooting of Thai workers in Cambodia probably stems from several things. For example, perhaps the Thai companies that reached an agreement with the Khmer Rouge have not adhered strictly to the agreement. Or perhaps the Khmer Rouge forces need supplies. They may need goods. In any event, if the Thais adhere strictly to the agreements, things will probably be fine. In the near future, he will meet with the Thai businessmen who are engaged in logging operations in the Khmer Rouge zone in order to discuss this matter again.

The six companies that will be investigated by the Trat marine unit include the Thung Din Sam Company Ltd., the Siam Timber Company Ltd., the Phiphat Timber Company Ltd., the Wooddell and Supply Company Ltd., the SSR Commercial Company Ltd., and the Chao Phraya Chai Company Ltd.

Thai Companies That Have Had Logging Concessions With the Khmer Rouge

1. K. Nanthamanop Sawmill Limited Partnership.
2. The Forest Industry Organization (FIO).
3. Eastern Cement Company Ltd.
4. Kabin Buri Timber Company Ltd.
5. Phichai Company Ltd.*
6. Chao Phraya Chai Company Ltd.
7. Thung Din Dam Company Ltd.
8. Phiphat Timber Company Ltd.
9. Wooddell Supply Import Company Ltd.
10. Nittayothakan Limited Partnership.
11. T.P. Eastern Premier Company Ltd.*
12. Phanathong Rung Ruong Company Ltd.*
13. C.P. Udon Supplies Company Ltd.*
14. Khukhan Arunsawat Limited Partnership.*
15. Surin Construction Company Ltd.
16. M.L.L. 33 Company Ltd.*
17. Ruam Phana Thai Import-Export Company Ltd.
18. B. L. P. Import-Export Company Ltd.

*Private companies that have timber concessions with the Khmer Serei, Phnom Penh, and Khmer Rouge factions. Source: Data collected by THAN SETTHAKIT.

* Wimon: Can't Close Border

95SE0065B Bangkok SIAM RAT in Thai 20 Nov 94 pp 1, 2

[FBIS Translated Excerpt] General Wimon Wongwanit, the army commander-in-chief [RTA CINC], said that he is opposed to Australia providing weapons to the Cambodian Government to suppress the Khmer Rouge. He said that this is not the way to bring about peace. He said that providing economic aid will help to restore peace. As for closing the border, that is impossible. Even a superpower such as the United States can't prevent Mexicans from crossing the border into the country. [passage omitted]

As for the demand that Thailand close the Thai-Cambodian border, the RTA CINC said that even the United States, which is considered to be a superpower, can't close its border with Mexico and prevent Mexicans from entering the country. Thailand, which is not as strong as the United States, certainly can't seal its borders.

General Wimon also said that the fact that people go there to mine gemstones or to sell food and other supplies is a matter of survival for these people. We can't arrest them as if they were criminals.

"This is something that leaves soldiers with a very bitter taste. We have tried to do our best and, at the same time, take the lives of the people into consideration," said Gen. Wimon.

* Columnist on Working With Khmer Rouge

95SE0065C Bangkok NAEO NA in Thai 27 Nov 94 p 3

[Column by Pricha Kunpricha]

[FBIS Translated Excerpt] [Passage omitted] A news sources of ours who is involved in timber operations in Cambodia talked about working in the various zones. He said that "those involved in timber operations in Cambodia are well aware of which zone belongs to whom and how to deal with the various groups."

A government concession is one thing, but a concession in an area controlled by someone else is another matter. It's like carrying on timber operations in Burma, where you have to pay the Karens and Mons.

The Khmer Rouge has always been involved in "timber" activities in almost every area. Timber merchants who receive a logging concession from the Phnom Penh government have to set aside a certain amount of money to pay the Khmer Rouge. Usually, they have to pay 35-50 percent of the amount paid to the government.

"Those involved in timber operations in Cambodia know that carrying on operations in Khmer Rouge zones is the most convenient. Because once an agreement is reached, everyone adheres to the terms of the agreement. Once an agreement has been reached on the terms of the payment, that's how it will be. All the terms of the agreement, including dates and amounts, are adhered to. And you don't have to pay any additional amounts. But if you are dealing with the government, things can become very complex. And in areas that are tightly controlled by the government, things become even more difficult. You have to pay the government a fee for the concession, and you have to pay the influential people in the area. There are a whole series of payments that have to be made. Those involved in timber operations in Cambodia know that doing business with the Khmer Rouge is much easier, because once an agreement is reached, that's it.

"With the Khmer Rouge, you have to talk to their senior official only once. And you have to pay only once. You don't have to pay any more. But if you violate the terms of the agreement, that can cause problems. The Khmer Rouge won't allow that," said the timber merchant who conducts activities in Cambodia.

As I reported yesterday, when people carry on timber operations in Khmer Rouge zones, the government loses money, and it has charged that people are still supporting the Khmer Rouge, because merchants have to pay the Khmer Rouge. This includes carrying on timber operations in the north, that is opposite Surin, Sisaket, and Ubon Ratchathani and in the south, that is, in Phnom Malai, Pailin, and Samlaut to the Trat border. Because in the south, the Khmer Rouge is present all along the border.

When the Phnom Penh government prohibited the export of timber and refused to grant timber concessions in Cambodia so that timber could not be exported to Thailand, such problems did not arise. But the Phnom Penh government, or the military, lacked the money to support its troops. The army does not "travel on its stomach" but on "timber." Even though it knows that whenever timber is exported to Thailand the Khmer Rouge will always "take a percentage," it has had to allow timber operations, because the government army needs the money.

Chinnawat Protests PRC Satellite Position Plan

BK2001055595 Bangkok BANGKOK POST in English 20 Jan 95 p 21

[Report by Suphaphan Plengmaniphun]

[FBIS Transcribed Text] A Chinese company's insistence on launching a new satellite into an orbital position close to Thaicom 1 and 2 has drawn criticism from Chinnawat Satellite and the Post and Telegraph Department.

Representatives of the department and Chinnawat met recently with APT Satellites to discuss coordination of frequencies, but APT remains determined to position its satellite at 77 degrees east, while the Thai satellites are stationed at 78.5 degrees east.

Chinnawat Satellite president Dumrong Kasemset said the earlier position of Apstar 2, to be launched in December, was 87.5 degrees east, a slot currently occupied by a China-Sat communications satellite that is expected to be retired soon. He said APT told Chinnawat officials last week that it wanted to shift the satellite's position to 77 degrees east, the slot APT had reserved for its fourth satellite, not the second one.

APT is registered in Hong Kong but its major shareholders are three Chinese government agencies, along with Singapore Telecom and Telecom Holding of Thailand (14.3%).

Dr Dumrong said this was not the first example of obstinacy by APT. Its first satellite launched last July at 131 degrees east, has caused interference with a Gorizont satellite operated by Rimsat at 130 degrees east and a Japanese satellite at 132 degrees east.

Satellites should orbit at least 2.5 degrees apart, he said.

"China has many orbital slots, but it has chosen to use the disputed slot near Thaicom for marketing reasons. The orbital position covers vast footprints, mainly in Asia where the fastest-growing economies are located," said Dr Dumrong.

He warned that if APT did not review its attitude, Thai-Chinese government relations might be jeopardised.

"And we will interrupt its satellite signal if APT remains stubborn," he threatened.

However, there is still time for a resolution because even after Apstar 2 is launched, it will not be placed into a permanent orbit immediately.

Post and Telegraph Department director-general Sethaphon Khutriphithuk also expressed anger that China refused to listen to other countries' concerns.

"At present, we would prefer to seek a diplomatic resolution, otherwise the outcome could be violent," said Mr Sethaphon.

He would sent protest letter to the Radio Regulatory Department of China and inform the International Telecommunications Union [ITU] of the case. His department will ask the Foreign Ministry to help negotiate.

Thailand has proposed that the ITU adopt punitive measures against members who violate ITU rules and regulations, but the issue is still pending.

Vietnam

Japanese Overseas Aid Delegation on Visit

Received by Do Muoi

BK2001145695 Hanoi VNA in English 1437 GMT 20 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan. 20—Party General Secretary Do Muoi received here this afternoon Akira Nishigaki, president, chairman of the board of the Overseas Economic Cooperation Fund of Japan (OECF), on the latter's visit to Vietnam for the opening of OECF representative office in Hanoi.

Speaking on this occasion, Mr. Akira Nishigaki expressed his wish that the opening of OECF Hanoi rep. office would facilitate the economic cooperation between the two countries and the effective use of the Japanese Government's aid to Vietnam.

He affirmed his government's determination to contribute to the Vietnamese people's national construction and his belief that Vietnam would become a developed country in the near future.

Speaking to his guests, the party leader expressed his wish that the two sides would closely coordinate with each other to effectively use the Japanese Government's aid, promote cooperation and encourage Japanese businessmen to increase investment in Vietnam.

He also asked the guests to convey his regards and deep sympathy to the Japanese people over the great losses caused by the recent earthquake.

OECF resumed its operation in Vietnam in November 1992, when Mr. Nishigaki first visited Vietnam, by providing a loan of yen 45.5 billion (USD [U.S. dollars] 450 million) for balance of payment support, before the other donors started their ODA [overseas development assistance] loans to Vietnam.

Following the above loan, in January 1994, OECF committed project loans with a total of yen 52.3 billion (USD 520 million) for the implementation of high priority infrastructure projects in energy and transport sectors. These loans cover the initial (?stage) of construction of 3 new electric power plants (Phu My Thermal Power Plant and Ham Thuan-Da Mi Hydro Power Plant in the south and Pha Lao Thermal Power Plant in the north), rehabilitation and upgrading of Haiphong port, Highway No. 5 (Hanoi-Haiphong), bridges in Highway No. 1 (Hanoi-Vinh, Nha Trang-Ho Chi Minh City-Can Tho) and the Thong Nhat Railway Bridges (Hanoi-Ho Chi Minh City) and rehabilitation of road and water supply system in the rural areas.

The OECF is going to provide the second loans for these above projects and one new project for Hanoi drainage system improvement.

Meets With Vo Van Kiet

BK2201153595 Hanoi VNA in English 1449 GMT 22 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan.22—Prime Minister Vo Van Kiet received here yesterday Mr. Akira Nishigaki, president of the Executive Board and general director of the Overseas Economic Cooperation Fund (OECF) of Japan, and his entourage.

Mr. Akira Nishigaki expressed his fund's interest in economic development of Vietnam over the past two years and his pleasure at the achievements recorded by the Vietnamese people in their renovation process. He informed the P.M. of the fund's financial assistance to Vietnam in the 1994-1995 fiscal year focussing on the fields of transport and communications, energy, construction of water supply system in order to help Vietnam improve its infrastructure, thus pushing up the growth of economy. He stressed that his government attached importance to the promotion of the cooperative and friendly ties with Vietnam and will increase its capital assistance to Vietnam in the coming years.

For his part, P.M. Kiet extended his thanks for and highly values the assistance of the government and people of Japan to Vietnam in its economic development and held that the Vietnam-Japan cooperative relations have seen fine development. The recent opening of the fund's representative office in Hanoi was a manifestation of goodwill of Japan toward Vietnam at present as well as in the future. He affirmed that Vietnam would receive and use Japanese capital assistance effectively and expressed his hope that Vietnam would receive more help and cooperation from Japan.

He also asked his guest to convey his regards and deep sympathy to the Japanese P.M. over the great losses caused by the recent earthquake in Kobe.

Commentary Views Japanese Aid

BK2301141095 Hanoi Voice of Vietnam in English 1000 GMT 23 Jan 95

[Station commentary]

[FBIS Transcribed Text] Vietnamese Prime Minister Vo Van Kiet met in Hanoi last week with Mr. Akira Nishigaki, president of the Board of the Overseas Economic Cooperation Fund [OECF] of Japan. This is our comment:

Over recent years, especially in the past few years, friendly relations and cooperation between Vietnam and Japan have effectively developed. The visit to Vietnam by the delegation of OECF which is made by President Akira Nishigaki was another manifestation.

Mr. Nishigaki was in Hanoi for the opening ceremony of the OECF representative Hanoi office. It is an indication of the Japanese government's will for long-term cooperation with Vietnam. Japan is Vietnam's biggest donor of official development assistance. It gave about $380 million in 1992 and nearly $480 million in 1993. Grant in 1993 was $58 million and in 1994 it is believed to be $80 million. In December last year, the Japanese Industrial Bank opened its representative office in Hanoi. It is one of the biggest banks in Japan which deals with long-term credits, finance, industrial development, and technological transfer.

At the meeting with Prime Minister Vo Van Kiet, President Nishigaki informed his account of the Fund's financial assistance to Vietnam in the 1994-95 fiscal year. It focused on transport and communications, energy, and construction of water supply system in the rural area in order to help Vietnam improve its infrastructure. He stressed that his government attached great importance to the promotion of cooperative and friendly ties with Vietnam and will increase its capital assistance to Vietnam in the coming years. He also expressed pleasure at the achievements recorded by the Vietnamese people in the process of renovation.

For his part, Prime Minister Vo Van Kiet affirmed that Vietnam will receive and use Japanese capital assistance effectively, and expressed his hope that Vietnam will receive more help and cooperation from Japan.

Joint Working Group on PRC-SRV Border Meets

BK2201154095 Hanoi VNA in English 1449 GMT 22 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan 22—The Vietnam-China joint working group for land border is convening its fourth session in Beijing, China.

Minutes of the session, lasting from Jan. 16-23, was signed on Jan. 20. On the same day, Chinese Deputy Foreign Minister Tang Jiaxuan, who is also head of the Chinese Government delegation, received cordially members of the joint working group.

Vietnamese Ambassador to China Dang Nghiem Hoanh was present at the event.

The session, which took place in the atmosphere of friendship, sincerity, frankness and mutual understanding, got certain positive progress. The two sides agreed to connvene the fifth session in Hanoi in May, 1995.

Le Duc Anh Receives Luxembourg Prince 20 Jan

BK2001145295 Hanoi VNA in English 1437 GMT 20 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan. 20—State President Le Duc Anh received here this morning Prince Henri of the Grand Duchy of Luxembourg now on a visit to Vietnam.

President Le Duc Anh informed the prince of Vietnam's foreign policy to make friends with all countries worldwide and expressed his belief that the visit would make a positive contribution to consolidating and developing the friendship and cooperation between the two countries.

For his part Prince Henri affirmed his country's wish to help Vietnam with investment and development projects in economy and commerce in an effort to further promote the two countries' friendly and cooperative relationship.

Earlier, a framework agreement on cooperation between the Vietnam and Luxembourg Governments was signed by Mr. Vo Hong Phuc, vice-chairman of Vietnam's State Planning Committee, and Mr. Georges Wohtfart, secretary of state for foreign affairs, foreign trade and cooperation. The Luxembourg secretary of state also signed with Vietnam's Health Minister Mr. Nguyen Trong Nhan another document on blood reserve and transfusion promotion between the two health ministries.

For Jan. 17-19, Prince Henri and his party visited Ho Chi Minh City where they called at a number of economic and cultural establishments and attended the opening of the representative office of the Luxembourg company Trade Arbed.

The left Hanoi this afternoon concluding their four-day visit to Vietnam.

Deputy Prime Minister Leaves for Netherlands

BK2101150395 Hanoi VNA in English 1430 GMT 21 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan. 21—Deputy Prime Minister Phan Van Khai left here today for the Netherlands for a visit from Jan. 23-26 and then for

Switzerland for the annual meeting of the World Economic Forum (WEF) to be held on Jan. 27-28.

Joint Economic Cooperation Reviewed

BK2301141195 Hanoi Voice of Vietnam in English 1000 GMT 23 Jan 95

[Station commentary]

[FBIS Transcribed Text] Deputy Prime Minister Phan Van Khai on Monday, 23 January, left Hanoi for a four-day visit to the Netherlands. Following is our radio comment:

During his working session in the Netherlands, Deputy Prime Minister Phan Van Khai will have talks with Dutch Vice Prime Minister Willem Kok, the Dutch Foreign Minister and other government officials. He will also visit a number of leading companies in the Netherlands. His visit is to further strengthen and develop the cooperation between the two countries.

The Netherlands has good relations with and a sentiment toward the Vietnamese people. The Netherlands has 11 projects with the total value of over $350 million and now ranks 9th among 50 countries which have invested in Vietnam. Of their projects, the most successful is the brewery production chain in Ho Chi Minh City of Heineken International with the capacity of 15 million liters per year.

Vietnam and the Netherlands have signed an agreement on investment protection. Dutch Foreign Minister Peter Kooijmans said that many Dutch businessmen wanted to invest in Vietnam. However, foreign economic relations and cooperation between the two countries have not yet been fully developed. Therefore, further efforts should be made from both sides. For its part, the Vietnamese government will try its best to improve investment environment in Vietnam and work out incentive policy to create conditions for more investments from other countries, including the Netherlands.

Magazine Suspended for Article About Firecrackers

BK2101100495 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 20 Jan 95

[FBIS Translated Text] The magazine NGUOI HANOI [Hanoi People of the Hanoi Arts Association] in its lunar new year edition, carries an article entitled: Banning Firecrackers: the Worry and the Misery. The article violates the Publication Act and a decree of the Council of Ministers, and has an unhealthy influence on the implementation of Prime Minister Decree 406-TTG issued on 8 August 1994 on the banning of the production, trading in, and firing of firecrackers.

On 18 January, the minister of culture and information decided to criticize the editor-in-chief and responsible officials for allowing the publication of this article and temporarily suspend the publication of NGUOI HANOI Magazine until a further decision.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.